

ASICS Integrated Report 2023

asics
sound mind, sound body



ASICS Integrated Report 2023

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Positioning of the Integrated Report

Financial information	Integrated Report	Non-financial information
	Publication of material information related to medium- and long-term value creation	
	Securities Report	
Summary of Consolidated Financial Statements		Sustainability Report
Investor Relations (website) https://corp.asics.com/en/investor_relations		Sustainability (website) https://corp.asics.com/en/csr

Editorial Policy

To remain a Company trusted by shareholders and all other stakeholders, ASICS publishes this integrated report presenting a systematic summary of efforts to resolve social issues through business activities and enhance corporate value from both financial and non-financial perspectives. In compiling this report, we referred to the International Integrated Reporting Framework recommended by the IFRS Foundation as well as the Ministry of Economy, Trade and Industry Guidance for Collaborative Value Creation. Based on the ASICS SPIRIT founding philosophy, we aim to convey the ASICS business model and value creation story up to realizing our vision of creating high-quality lifestyles through intellectual sports technologies.



Special Note Regarding Forward-Looking Statements

Information contained in this report includes forward-looking statements regarding future projections. It includes risks and unknown factors based on ASICS' determinations at the time the report was created. Please be aware of the potential for actual results to differ from future projections due to a variety of constantly changing factors.



Delivering the Integrated Report

We will continue to run toward the next stage without pause

Hello, everyone! My name is Yasuhito Hirota. I took on the role of Chairman and CEO in January 2024. In delivering Integrated Report 2023, the fourth report of its kind for ASICS, I would like to look back on what 2023 held for ASICS and share key points about the direction of our value creation strategy for further growth in the future.

Yasuhito Hirota Chairman and CEO,
Representative Director

ASICS is now on a growth trajectory and has reached a new stage as a company

In 2023, we put the final touches on a series of management system reforms that began with the transition to a category-based management structure in 2019*. It was also the final year of Mid-Term Plan 2023.

First, we achieved the targets set out in Mid-Term Plan 2023 ahead of schedule during the period and managed to hit record highs for net sales and all levels of profit for the full year. In last year's Integrated Report, we described how Performance Running had been carrying the other categories, but in 2023, the Core Performance Sports and Sports Style categories also enjoyed significant growth. Our view is that this further clarifies our structure, where all categories grow as an integrated whole with the ASICS brand at the core. Another bright spot is shareholder return, where we issued record-high dividends and implemented share acquisition for the first time in five years.

We believe the capital markets have recognized this. Our share price has intermittently hit post-listing highs, and while the future is impossible to predict, our market capitalization appears to have settled above the one-trillion-yen milestone. In addition, we have won multiple awards in areas such as sustainability, digital technology and IR. We have also taken steps to improve profitability in the Japan and North America regions (such as the decision to close our school business in Japan, shutting underperforming stores in North America and narrowing down the range of entry-level shoes). In addition to these efforts, we settled various challenges in flexible ways under strong leadership, such as by transforming the U.S. management strategy and selling Haglöfs AB, a non-core business. We believe this laid the groundwork for a fresh start from 2024.

* ASICS redesigned its management structure, which previously involved independent production and sales divisions, shifting to a category-based management structure that delegates responsibility for everything from product planning to production and sales to the top management in charge of each category. By clarifying the roles of the Head Quarter and regional operating companies, we have significantly decreased the distance between them and significantly shifted employee mindsets to emphasize profitability across the entire value chain that has been vertically integrated for each category.

“Never stop moving forward” to the next stage

Having said that, there are still challenges to be newly overcome in 2024. These include the full-scale recovery of the North America region, the continuation of high growth in Southeast and South Asia and supply chain reform including inventory optimization. Among other challenges are proactively responding to geopolitical risks such as the current situation in the Middle East and boosting productivity in the Apparel and Equipment category. With the aim of further strengthening our ability to deal with these challenges and accelerating our growth rate, in November 2023 we formulated and announced Mid-Term Plan 2026, covering the three-year period starting in 2024. Based on the direction and outcomes of the management system reforms begun in 2019, and under the leadership of Mitsuaki Tominaga, who was appointed President & COO in 2024, we will further pursue the approach of combining global strategy with digital technology, transforming into a Global Integrated Enterprise with an organic category-based management structure as a more unified group. Through these efforts, we believe we will be able to fully realize the global potential of both ASICS and Onitsuka Tiger as rare consumer-oriented brands originating in Japan.

All employees will embrace the motto of “never stop moving forward” as we work together in an all-out effort to reach the next stage.

Afterword

In this integrated report, we hope to integrate financial and non-financial information and present it as comprehensively and systematically as possible. This includes insight into various intangible assets supporting value creation at ASICS, which cannot always be fully elaborated on at quarterly results briefings and the twice-yearly Investment Day (business strategy briefings). We have also designed the report to not only highlight ASICS' strengths but also the challenges and shortcomings we face. ASICS finds itself in a new growth phase, and the members of the new management structure will explain in their own words how they will overcome challenges and drive growth through strategies in their respective areas. Many employees from a wide range of departments worked together to produce this report, and we hope you will read it through to the end.



ASICS business results and other achievements

Net sales	Total assets	Total employees
570.4 billion yen	464.1 billion yen	8,927 people
Stock price	PBR	Total return ratio
8,700 yen (as of the end of May 2024)	8.0 times (as of the end of May 2024)	50% or more

Going all-in on digital strategy

E-commerce net sales	Digital human resources	OneASICS members
107.0 billion yen	670 people	9.45 million people

Toward building a running ecosystem

Number of race registration business operators in the Group	Number of people who registered for races in 2023 using ASICS services	Number of monthly active members of the running app
4 companies	9.1 million people	2.2 million people (full-year average for 2023)

Contributing to a sustainable society

Rate of CO ₂ reductions through our business activities	Recycled materials ratio of polyester materials for shoes and sportswear	Providing financial assistance and sporting goods to the community
29.8% (compared with 2015)	40% or more	1,025 thousand U.S. dollars

Note: Unless otherwise noted, all figures are as of the end of December 2023

At a Glance

ASICS has developed into a sports brand that has established a solid position in the global sports market by manufacturing and marketing sports-related products for all lovers of sport. By taking the performance of highly functional shoes created in conjunction with performance athletes and optimizing them for lifelong athletes, we provide products and services that cater to the needs of even more people while co-creating value with stakeholders, spreading the ASICS brand around the world in the process.

External Recognition

Results of initiatives aimed at solving social and environmental issues through our business



Climate change: A-



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ASICS Category Net Sales by Category

ASICS develops products across a broad range of categories. In 2023, category profit in each of the Core Performance Sports, Sports Style and Onitsuka Tiger categories exceeded 10 billion yen for the first time. Category profit was also positive for the first time in the Apparel and Equipment category, marking its shift into a profit-generating business.

Onitsuka Tiger (OT)



Shoes once used for competitions have been reproduced as a premium lifestyle brand for those who demand a sophisticated style comprising fashionable shoes, apparel and accessories.



DUCK TIGER TRAINER

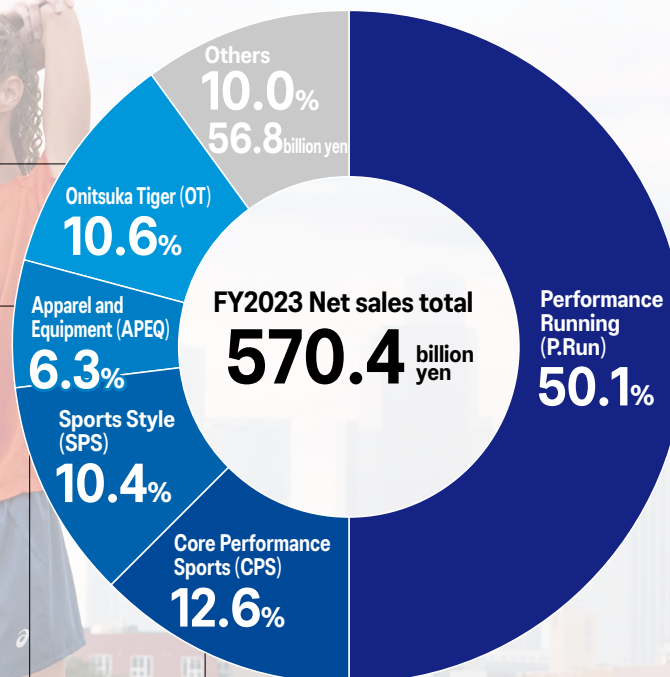
Apparel and Equipment (APEQ)



We offer highly functional running wear, training apparel, uniforms for competitions and various types of equipment.



Podium jacket



Sports Style (SPS)



ASICS develops well-designed shoes and apparel combining world-class sports technologies with a range of styles that match various needs so everyone can lead an active daily life.



UB6-S GT-2160

Performance Running (P.Run)



ASICS offers running shoes that provide excellent fit and comfort to all runners, realizing running efficiency and safety so runners can feel and perform better in any running experience.



METASPEED SKY PARIS

Core Performance Sports (CPS)



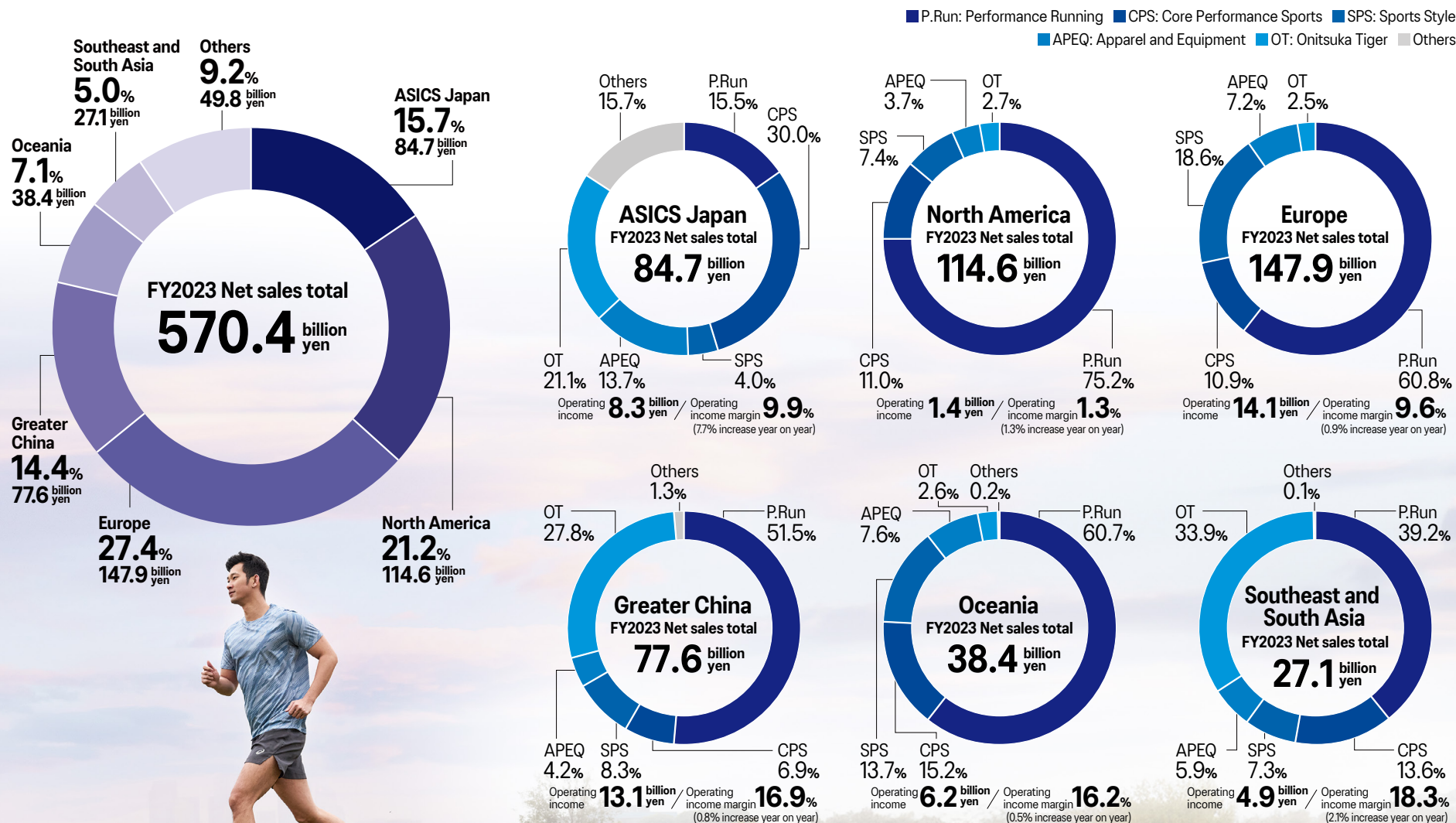
We develop shoes for athletics, tennis, volleyball and other competitive sports offering excellent functionality, enabling athletes to display high performance.



DS LIGHT PRO

ASICS Segment Net Sales by Region

ASICS is expanding its business globally through 65 Group companies. In Japan (AJP) and North America, we aim to rebuild the brand through the expansion of Performance Running (P.Run) and business structural reforms. In Europe and Oceania, we will establish a dominant No. 1 brand position. We regard Greater China along with Southeast and South Asia as key regions with high growth potential and are taking steps aimed at brand expansion.



Note: Regional sales include inter-segment internal sales or transfers.

1949 Onitsuka Co., Ltd., is established

After returning from the war in 1945, founder Kihachiro Onitsuka established ONITSUKA Co., Ltd., in Kobe in 1949. Having seen the conditions in which young people were living in postwar Japan, Onitsuka began serious efforts to create sports shoes, aiming to advance the healthy development of youth through sports.



1977 The birth of ASICS Corporation as a general sporting goods company

Onitsuka Co., Ltd., GTO Co., Ltd., and JELENK Co., Ltd., merged as equals to form ASICS Corporation as a general sporting goods company. The origin of the company name, ASICS, derives from the initial letters of "ANIMA SANA IN CORPORE SANO," a phrase penned by the ancient Roman satirist Juvenal. It means "(If you pray to God, you should pray for) a sound mind in a sound body." With this phrase as its founding philosophy and the company name, the corporate purpose is still being preserved.



1990 Completion of the ASICS Research Institute of Sport Science, exploring the science of the mind and body

The ASICS Research Institute of Sport Science (in Kobe City) embodies our founding spirit, human-centric science. Created to conduct scientific analysis and research on not only the physical aspects but also the balance between the mind and body, this institute is rare even by global standards. Housing an all-weather athletic track and experimental and research equipment, the institute conducts research into human characteristics, materials, structures, analytical evaluation methods and production technologies, thus playing a core role in the development of products, including cutting-edge products for elite athletes.



2023 Achieving Mid-Term Plan 2023

ASICS achieved its three-year Mid-Term Plan running from 2021 to 2023 in convincing fashion. We focused on enhancing profitability and managed to establish a stable financial base for sustainable growth in the future. In August, our market capitalization broke the one-trillion-yen milestone for the first time, and we believe this indicates that ASICS is on a full growth trajectory. We also won multiple prominent awards in key areas such as sustainability, digital technology and IR.



 OneASICS™

ASICS HISTORY

Philosophy

Founding Philosophy

"ANIMA SANA IN CORPORE SANO"

The history of ASICS began in 1949 with a decision by founder Kihachiro Onitsuka to enter the sports business and contribute to nurturing Japan's youth, who were still struggling after WWII, based on the Latin phrase "Anima Sana in Corpore Sano," which translates as "a sound mind in a sound body."

He believed that to overcome high hurdles from the start would enable the Company to more easily overcome subsequent hurdles. He decided to take on the challenge of developing shoes for basketball, the most difficult type of shoe to design at the time. Critical to the development process is the concept of "human-centric science," whereby the bodies and movements of athletes are observed and the data incorporated into product development. This is the unchanging spirit of ASICS that has been passed down from the time of our founding to the present day.

The ASICS Philosophy

1. Provide valuable products and services through sport to all our customers
2. Fulfill our social responsibility and help improve conditions for communities around the world
3. Share profits brought by our sound services with our shareholders, communities and employees
4. Maintain a spirit of freedom, fairness and discipline, respectful of all individuals

Vision

**Create Quality Lifestyle Through
Intelligent Sport Technology**

Values

- Article 1** Respect Rules
- Article 2** Be Courteous
- Article 3** Be Persistent
- Article 4** Work as One Team
- Article 5** Be Prepared
- Article 6** Learn from Failure

ASICS SPIRIT

VISION 2030

Under its founding philosophy, "Anima Sana in Corpore Sano (a sound mind in a sound body)," ASICS has developed its business with a focus on products for performance athletes who strive to improve their performance.

These days exercise and sports are more widely recognized, and perceptions about physical and mental health have changed.

We aim to create a world where any one of us can continue to exercise, play sports and remain in good mental and physical health throughout our lives, to realize our founding philosophy amid a rapidly changing social environment. For this purpose, ASICS has adopted VISION 2030, which sets out how we see ourselves in 2030, and developed its business aimed at lifelong athletes.

Business Domains

On the road to VISION 2030, we will add the Facility + Community and Analysis + Diagnosis business domains to the Product domain that has been our traditional focus, and leverage these three business domains to help people achieve physical and mental health.

Personalized products

Based on diversification of customers' tastes and values, highly personalized products are offered to our customers and help them achieve mental and physical health



Product

Optimal environment and network with peers

We will provide facilities, systems and opportunities to start and continue sports anywhere and anytime



Facility + Community



Analysis + Diagnosis

Coaching based on personal data

We conduct analysis and diagnosis based on data designed with customer privacy considerations to provide exercise programs that suit each customer

Common Themes of the Three Business Domains

We have set Digital, Personal, and Sustainable as themes that are common to all of the business domains. We will develop and provide personalized products and services for each individual, by using digital technologies that are evolving and by employing sustainable, environmentally friendly methods.



Digital



Personal



Sustainable

Message from the President

Transformation to a Global Integrated Enterprise by Continuing to Drive the Implementation of Our Global × Digital Approach

Mitsuyuki Tominaga President and COO, Representative Director

Message from the new President and COO

My name is Mitsuyuki Tominaga, and I was appointed President in January this year. First, I would like to briefly introduce myself to our valued stakeholders.

I am a fan of all kinds of sports, but I was particularly fond of tennis and even studied overseas in my university days in the hopes of turning pro. Even today, I continue to enjoy the game with a strong passion. I spent my childhood and university years overseas, and up until joining ASICS in 2018 I had worked at various global companies with a focus on digital technology and IT. Since joining ASICS, I have filled a dual CDO and CIO role as head of the digital business, promoting ASICS' Group-wide digital transformation including the running ecosystem.

In November last year, ASICS unveiled Mid-Term Plan 2026 (MTP 2026), and the further promotion of the "Global × Digital" approach laid out in MTP 2026 falls precisely in line with my career to date. As President and COO, I will make every effort to fully capitalize on the experience I have cultivated to date and raise ASICS to yet another stage.

Looking to Further Global Growth

ASICS has grown into a global company, with overseas sales accounting for more than 80% of total sales. The regional spread is also well balanced across North America, Europe, Greater China, Japan and developing countries. In this global competitive environment, ASICS has managed to play to its strengths in terms of the quality and functionality of its products. However, to achieve further global growth, I believe there is room for us to improve further on the three aspects of products, regions and services.

Products

On the product front, even looking at the single category of shoes, we maintain an extensive lineup ranging from our core performance running shoes to fashion-oriented products from Onitsuka Tiger and other divisions. I hope that we will continue to strengthen our existing structure of continually creating a healthy balance of innovative products that embody Sound Mind, Sound Body, rather than relying on a few products that sell well. Today, running shoes have become a key pillar, accounting for almost 50% of our overall sales, but going forward we will focus on developing other categories into new pillars that stand next to running. For example, my favorite sport of tennis is one such candidate. ASICS currently has sponsorship agreements with around 40 top tennis players. Each year, the four Grand Slam and other major tournaments take place around the world, and there is room to capitalize on our relationships with these top athletes and collaboration with tournaments more effectively. Having the Head Quarter coordinate with regional operating companies in more organic ways will strengthen our products.

Regions

Maintaining a good balance across regions is also important in terms of mitigating geopolitical risks. We will focus on establishing footprints in high-growth regions while continuing to reinforce our presence in key markets including North America, Japan, Europe and Greater China.

Among these key markets, North America is considered the primary market in terms of competition, which has become extremely intense as new players join the fray. Past challenges have taught us that there is a significant ripple effect on branding when top runners choose ASICS shoes. Given this, we have set the ambitious target of securing a 25% market share at running specialty stores, which play a key role. From there, we aim to create a trickle-down effect that will reach non-professional marathon runners. In addition, utilizing the data accumulated through race registrations and other means, we will strive to further enhance the brand by reaching out directly to runners who wear competing shoe brands.



Meanwhile, in markets such as India and Southeast Asia that are expected to enjoy high growth, we will promote ASICS' philosophy along with brand recognition by dedicating human and financial resources through the dispatch of young talent personnel, investments in stores and other efforts. India, in particular, is highly attractive not only for its potential as a market but also because it is home to many tech-savvy workers with world-class skills. ASICS is the main sponsor of the Mumbai Marathon, and I have personally traveled there to strengthen our ties with the local race registration company. Outside India, there are many other regions with strong prospects for market growth such as Indonesia, and we are making progress in market development while considering the adoption of prior examples from other regions. For example, in Australia, where we have established ourselves as a brand with a leading market share, ASICS shoes are highly regarded from a medical standpoint, and one idea is to take our approach in Australia of spreading recognition of the ASICS brand in conjunction with our Sound Mind, Sound Body philosophy and expanding it to other regions. Rather than being directed from the Head Quarter, our aim is for each regional operating company, which is familiar with its own market characteristics, to pursue measures autonomously, drive regional growth and, as a result, contribute to the global growth of ASICS.

Services

In promoting the ideals of Sound Mind, Sound Body, Services is the area in which ASICS' values can be expanded to the broadest extent. ASICS customers use our products on a daily basis as they engage in a variety of training toward their respective goals, culminating in a race or other event. In addition to products, we provide services that aid customers in their day-to-day training, allow them to register for races, and incorporate medical and



Photo credit: Yoshiteru Nagahama

supplement support. The ability to achieve this is a key strength of ASICS and is the very embodiment of “Sound Mind, Sound Body.” Improving services is not something that can be fully achieved over a three-year period. It is important to operate these services as a robust core business over the long term and at a global scale that includes developing countries. The core of this lies in the utilization of digital technology, and we want to be a company that continues to support customers by strengthening these digital services.

Transformation to a Global Integrated Enterprise

The question is what kind of organization should we be to achieve the global growth I just mentioned? The answer lies in the major policy laid out in MTP 2026: our Transformation to a Global Integrated Enterprise, or GIE. Under this policy, we will work to enhance coordination between the Head Quarter and regional operating companies and build an organic category-based management system.

Management System

To transform to a Global Integrated Enterprise, we have made significant changes to our management decision-making mechanisms. The CEOs of our regional operating companies have been placed directly under the President, and starting this year our management

meetings will be held as global management meetings with members from key overseas regional operating companies also taking part. To reinvigorate communication between regional operating companies and facilitate overall optimization, these meetings will be held in English. In addition, twice a year we will hold a Global Summit at our Kobe head office to gather the CEOs of all the regional operating companies in one place. These will be a chance to thoroughly discuss a range of topics including branding, the supply chain and our global talent strategy.

The members responsible for this management structure have also undergone a shakeup, and close to 60% of the management team have assumed new leadership roles. The management team, which now has more women and overseas members, is not only younger and more diverse but also better equipped than ever to drive our digital, services and global priorities. Under this management system, we will make dynamic use of IT platforms, data and talent worldwide as a GIE.

Human Resources Strategy

For the human resources supporting ASICS as a GIE, we aim to create a structure where people with various specialties in different countries have avenues for success that are not limited to their own regions. Instead, we will establish regions where experts in each field gather as global heads from which they will oversee global efforts.

For example, until now we have assembled a team of 70 personnel in Europe who are well versed in business operations, systems and project management to link our IT systems globally. By rolling out systems from this base, we have managed to build IT systems that are standardized across the Group. In the areas of e-commerce and software, our Boston, USA-based ASICS Digital oversees the global implementation of digital technologies, while race registration is handled by our team in Canada. In terms of products, at the ASICS Creation Center that was established in Boston this year, personnel familiar with trends in the European and U.S. markets will collaborate organically with our Institute of Sports Science in Japan and other categories. Our style is to look at and oversee a particular field globally from the most appropriate region instead of always looking at the global picture from Japan. This style applies not only to digital technologies but also to category, human resources, legal affairs, supply chain management and so on. I believe our transformation to a Global Integrated Enterprise is quite a challenging endeavor. However, I regard it as an essential transformation as ASICS' next step to becoming a leading global company in the truest sense. On top of the strengths that ASICS has always enjoyed, such as the quality and functionality of its products, the teamwork of its employees and brand loyalty, if we can gain the ability to improve productivity by incorporating new innovations emerging around the world, a bright future for ASICS is assured. As someone who is Japanese but has built a

career in a multinational environment, I think I can contribute in significant ways to this transformation and it is something that I will push for with zeal.

Digital Technology and the OneASICS Strategy

ASICS has evolved as a digitally driven company at a global scale, and even on the operational front, we pursue operational excellence in an effort to boost productivity through the full use of AI in supply chain management, including R&D and inventory control. With respect to customers, over the past three years we have increased the number of direct points of contact, and direct-to-consumer (DTC) sales have risen as a percentage of total sales. Underpinning these efforts is our OneASICS loyalty program. The number of OneASICS members still stands at only 15 million and involves elements designed to attract customers such as the granting of points and free shipping, but in the future, we will further improve and expand the service offerings by utilizing the data we have accumulated to date, including purchase histories, training results and race entry history. For example, in addition to utilizing OneASICS for daily training or to sign up for sports events with friends, we will expand tools designed for exercise or to boost motivation targeting middle-aged and senior customers who want to build up their training due to concerns about declining physical fitness. I think this precisely represents the promotion of ASICS' Sound Mind, Sound Body philosophy. We aim to increase the number of OneASICS members to 30 million and raise the DTC sales ratio to 40% while expanding the number of facility users and holders of OneASICS bonds. ASICS builds databases of people who enjoy a wide range of sports in addition to running, and by coordinating with partners familiar with other areas such as the tracking of medical and training data, we can link that data to improvements in marketing, products and services. By doing so, our aim is to change the current impression that many people have of ASICS as a shoes company to a "company that promotes Sound Mind and Sound Body."

The Pursuit of Sound Mind, Sound Body

Allocation of Management Resources

When considering our future business portfolio and the allocation of management resources, whether something contributes to our becoming a company that promotes Sound Mind, Sound Body will serve as our decision-making criteria. In various operations including products, services and marketing, we will promote a selection and concentration approach to items that fall outside these decision-making criteria or which do not necessarily need to be handled by ASICS.

Receiving the DX Grand Prix 2024

ASICS was selected from among digital transformation (DX) stocks for the DX Grand Prix 2024 under a program jointly operated by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.

The program selects companies that have constructed DX systems leading to increased corporate value and that display outstanding results from their utilization of IT from among the roughly 3,800 companies listed on the Tokyo Stock Exchange.

ASICS has been selected for three consecutive years following its inclusion in DX Stocks 2022 and Noteworthy DX Companies 2023, and this year was one of the three companies selected from among the 25 constituent stocks for the DX Grand Prix 2024 as a company leading the digital age, underscoring recognition for ASICS' ongoing DX efforts.

ASICS was evaluated on the following key points.

- Fusion our management strategy and DX strategy
- Strengthening of business models under our DX strategy and contributions to corporate value
- Global unification of mission-critical systems, data-driven management decisions and DX execution capabilities including the development of digital tech-savvy human resources
- Disclosure of the above details to stakeholders through the Integrated Report, IR materials and investment days, among others



Intangible Assets

As part of our efforts to promote ASICS' philosophy, we emphasize human-centric science as a basis for product development. As a result of steadfastly investing in research and development for more than four decades, ASICS has passed down proprietary technologies, innovations and approaches, not only in the area of shoes but also apparel. The knowledge accumulated by the Institute of Sports Science is a source of value enabling ASICS to demonstrate strengths that its competitors lack, and the ASICS Design Philosophy we have built to date is an intangible asset that will be preserved into the future. At the same time, we will promote collaborations with other industrial organizations, universities and other entities at an even greater rate, and invest in development that utilizes IT and digital technologies.

Human Capital

The core human capital in a GIE can work globally, have the ability to utilize digital tools and, of course, identify with the Sound Mind, Sound Body philosophy as a key foundation. Investment in human capital is essential for corporate growth in the medium to long term, and we aim to offer industry-leading compensation in an effort to continually secure talented personnel. We have already significantly increased starting salaries offered to new graduate hires from FY2024 onward. We also paid a one-off lump-sum payment to all global employees to reflect our strong business performance. We aim to strengthen investments in human capital with the introduction of profit-sharing bonuses, the launching of a transfer-restricted stock-based incentive scheme through shareholding associations and other measures. At the same time, we will focus on human resource development through initiatives such as job rotations and overseas assignments. In every area from manufacturing to sales, sports events and production, we have now managed to build a corporate structure enabling the use of cutting-edge technologies and developed a personnel evaluation system that is standardized globally. With these systems in place, we will turn into a high-performance company that provides significant results by offering good compensation to human resources who are willing to take on challenges.

Sustainability

I feel a strong sense of crisis over climate change and global warming as major risks not only to ASICS but also the entire sports industry. We are strongly committed to tackling these issues, and specific initiatives we have undertaken include developing shoes that generate the world's fewest CO₂ emissions. We will continue to pursue initiatives that emphasize sustainability from environmental perspectives such as recycled models and efforts to address human rights. We will also make appeals to customers and society writ large regarding these topics.

Governance

The ASICS Board Meeting includes professionals in the areas of management, legal affairs, finance and accounting, in addition to members with extensive experience in the sports industry. The Board engages in lively exchanges of views and discussions on a range of topics including key strategies and medium- to long-term policies each month. The Board also actively discusses matters on specific themes including sustainability, product innovation and diversity. Opinions and observations provided by outside directors at Board Meetings are brought up for further discussion and consideration at Management Meetings, and then reported back to the Board Meeting the following month.

To Our Stakeholders

We have begun to see the results of building and implementing the category-based management system we began in 2019, and today ASICS is demonstrating a strong competitive advantage globally based on its dominant products. In MTP 2026, which began in 2024, we will pool our strengths to promote the Global × Digital approach under a new management structure, and strive to meet our targets.

In terms of shareholder return, we will aim to achieve a consolidated total payout ratio of 50% over the three years of MTP 2026. We will also take a flexible approach in considering additional shareholder return based on the premise of maintaining progressive dividends while taking into account profit distribution, cash reserves and the investment situation.

Through digital transformation, starting internally we have made progress in the visualization of data including human resources, business opportunities, growth potential and profitability by category or region. We will further enhance decision-making transparency by using visualized data to determine what decisions are made, where management resources are invested and to what degree. By improving transparency internally, we will also fulfill our accountability to shareholders and investors, enhancing our ability to properly explain with even greater transparency about why we invest in certain areas, or why we pursue certain initiatives. We are committed to making investments that advance visualization and our Sound Mind, Sound Body philosophy while ensuring ongoing shareholder returns, and we appreciate your continued support.

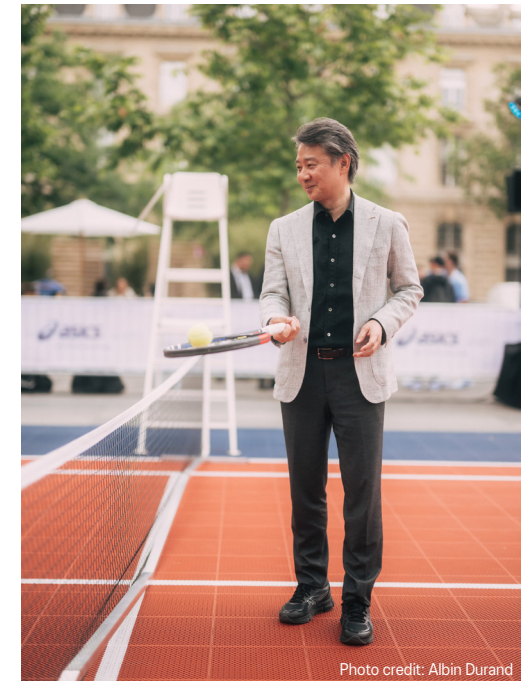


Photo credit: Albin Durand



03

Value Creation

Value Creation Process

Our Vision Realizing a Society in Which People Have Sound Mind, Sound Body

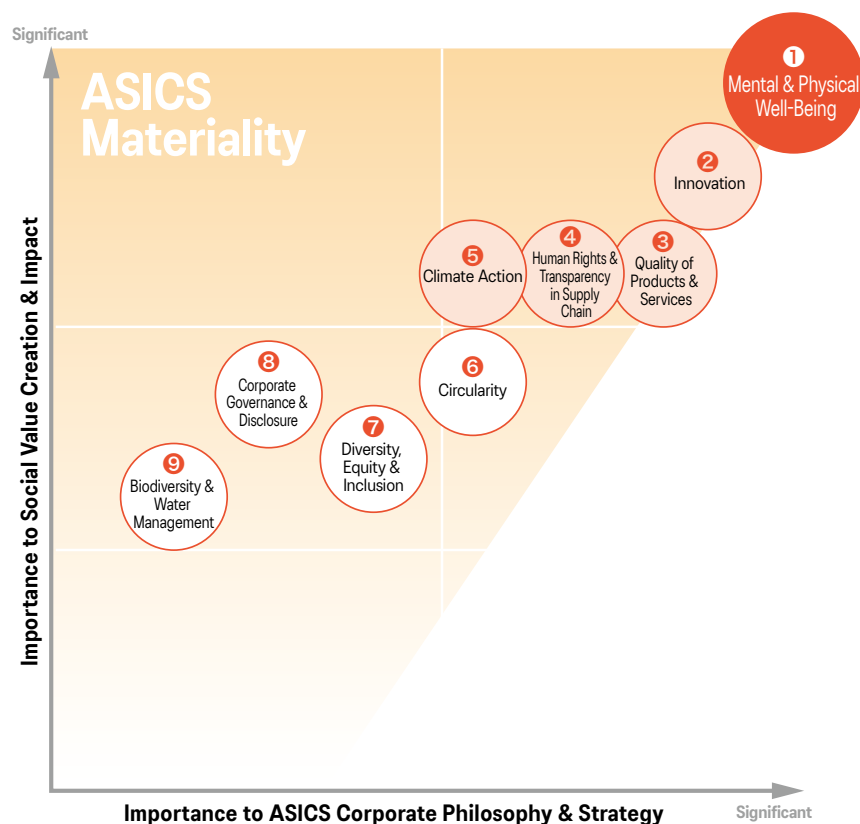


Materiality, Risks and Opportunities

For more information, please refer to pp.10-12 of our Sustainability Report. 

ASICS identifies materiality (material topics) based on the perspectives of their importance to stakeholders and importance to our philosophy & strategy. Interviews and surveys were conducted targeting approximately 500 people comprising external stakeholders such as consumers, business partners, suppliers, investors, NGOs and industrial organizations, as well as internal stakeholders including ASICS senior management and employees. The results of these efforts have been repeatedly discussed internally while incorporating third-party opinions from outside experts. In 2023, we conducted a materiality assessment themed after the ESRS*1 and SASB standards in anticipation of the European CSRD*2. This review was conducted during the formulation of Mid-Term Plan 2026, and we decided on nine material topics and their order of priority. The Sustainability Committee will continue to deliberate on the topics and make revisions each year.

*1 ESRS: European Sustainability Reporting Standards *2 CSRD: Corporate Sustainability Reporting Directive



ASICS Approach	
1	Under our founding philosophy of “A Sound Mind in a Sound Body,” aim to create a world in which we can all live healthfully both mentally and physically, maintaining involvement with exercise and sports over our entire lifetime
2	Contribute to people’s mental & physical well-being through innovative products & services based on “human-centric science,” accumulated data, and digital technologies
3	Pursue the safety, quality and functionality of our products and services to contribute to people’s mental and physical well-being
4	Respect the human rights of workers in the supply chain and their mental and physical well-being. Increase supply chain transparency and sustainability
5	We will reduce CO ₂ emissions throughout the supply chain and protect the global environment that enables exercise and sports
6	Reduce CO ₂ emissions and other environmental impacts by using less materials, create products for longer use, and circulate resources
7	Realize a highly engaged organization where diverse employees act under equity to accelerate innovation
8	Strengthen governance and dialogue with stakeholders and transparently disclose financial and non-financial information
9	Minimize the impact on nature capital and improve sustainability

Materiality, Risks and Opportunities

For more information, please refer to our Sustainability Report.



Materiality (material topics) has an impact on ASICS' medium- to long-term corporate value.

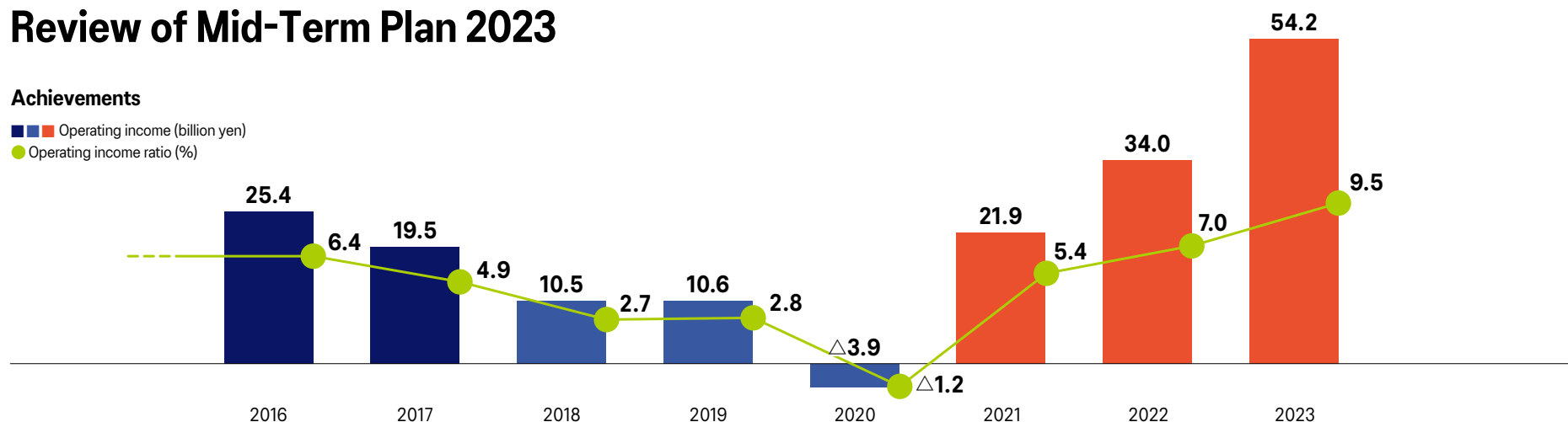
To appropriately deal with the items that impact sustainability in the medium to long term, ASICS has identified risks and opportunities (opportunities for co-creation with stakeholders) and stepped up related initiatives.

	Materiality (Material Topics)	Risks of not taking action	Opportunities for co-creation with stakeholders	Related KPIs
1	Mental & Physical Well-Being	Reduced competitive advantage and deterioration of reputation by not realizing the founding philosophy of "A Sound Mind in a Sound Body" through products and services	Customers Research and development of innovative products and services based on customer data Business partners Joint research and development of products and services Communities Solving local issues and enhancing trust in the ASICS brand as a result by deepening ties with the community	Number of OneASICS members: At least 30 million people in 2026 (At least 3 times larger than in 2019)
2	Innovation	Loss of competitive advantage from failure to respond to market needs and tackle social issues	Customers Creation of innovative products and services based on expectations and needs Employees Accelerating innovation by utilizing a diverse range of human resources	—
3	Quality of Products & Services	Monetary damages and impact on corporate image due to the occurrence of safety issues, and deterioration of the corporate and brand image due to non-compliance with hazardous/restricted chemical regulations	Employees / customers / business partners Creation of innovation by pursuing safety and functionality simultaneously	—
4	Human Rights & Transparency in Supply Chain	Impact on management sustainability and finances due to non-compliance with labor standards in the supply chain, or violations of laws, regulations or compliance requirements	Business partners Strengthening ties and enhancing value chain sustainability and resilience	Percentage of Tier 1 supplier factories above ASICS standard: 100%
5	Climate Action	Reduced sales from a decline in time spent playing sports due to rising temperatures, loss of sales opportunities due to operational stoppages in the supply chain from increasingly severe typhoons and flooding, and rising procurement costs due to fluctuating raw material prices	All stakeholders Creating value for all stakeholders by preserving environments that allow sports to be played Employees / customers / business partners Creation of innovation by pursuing the reduction of environmental impact and functionality at the same time	- CO₂ emission reduction rate in direct operations (2015 baseline): 63% in 2030 - CO₂ emission reduction rate in the supply chain (2015 baseline): 63% in 2030 - Percentage of electricity from renewable sources in direct operations: 100% in 2030
6	Circularity	Impact on sales due to sharply rising raw material prices because of the failure to utilize resources efficiently or passing on costs to product pricing, and damage to corporate image from initiatives and other action not having been properly implemented	Employees / customers / business partners Creation of innovation by pursuing the reduction of environmental impact and functionality at the same time	Recycled materials ratio of polyester materials for shoes and sportswear (%): 100% in 2030; Run product collection programs to reuse or recycle products and materials: three regions in 2030
9	Biodiversity & Water Management			Water consumption reduction percentage per pair of shoes at footwear Tier 1 factories (2015 baseline): 20% in 2023
7	Diversity, Equity & Inclusion	Reduced performance or job turnover due to deteriorating employee motivation, impact on the hiring of next-generation human resources, and subsequent labor shortages, etc.	Employees Acceleration of innovation through diverse values, creation of a resilient organization featuring job satisfaction	Diversity & Inclusion: Percentage of managers that are women: 40% or more in 2026
8	Corporate Governance & Disclosure	Impact on management sustainability and finances due to violations of laws, regulations or compliance requirements	Shareholders and investors Enhanced value creation capabilities through improvements to dialogue and ESG assessments	—

Review of Mid-Term Plan 2023

Achievements

■ Operating income (billion yen)
● Operating income ratio (%)



Mid-Term Plan 2023 (2021-2023)

Focus on profit to build a strong financial foundation for sustainable growth

		Target	FY2021	FY2022	FY2023
Financial targets	Operating income	25.0 billion yen	21.9 billion yen	34.0 billion yen	54.2 billion yen
	Operating income ratio	6.0% or higher	5.4%	7.0%	9.5%
	ROA	4.0%	2.8%	5.2%	7.9%
Non-financial targets	EC growth	Three times higher (compared with FY2019)	2.3 times*	3.1 times*	3.8 times
	OneASICS members	Five million or more people (three times higher compared with FY2019)	5.4 million people	7.3 million people	9.45 million people
	CO ₂ emissions per product	Approximate 15% reduction (compared with FY2015)	15% reduction	11% reduction	15% reduction
	Ratio of females in manager and senior positions	35.0% (global overall)	33.7%	38.3%	38.1%

Summary

In Mid-Term Plan 2023, we shifted to a growth trajectory over a three-year period. As category-based management took root, we sought steady growth and improved revenue in each region and achieved our targets by a large margin. We were also able to lay the foundations for further growth through the acquisition of race registration companies, the acceleration of e-commerce strategy and other initiatives.

Challenges

Ongoing initiatives are the further strengthening of our global management structure, improved brand experiential value and the streamlining of operations through digital technologies. We will accelerate growth by further driving approaches that combine global operations with digital technologies.

* Including running services (services such as race registration and operation)

External Recognition



Best IR Award 2023

- Ambitious IR activities by top management
- Detailed and easy-to-understand disclosures
- Business strategy briefing incorporating diverse perspectives



Inclusion as an MSCI Standard Index stock

- Added from June 2024



Minister of the Environment Awards for Climate Action

- GEL-LYTE III CM 1.95 sneaker that minimizes greenhouse gas emissions*
- Carbon footprint labeling of products

* Among commercially supplied shoes for which greenhouse gas emissions in the product life cycle have been disclosed (as of September 2023, based on ASICS research)



Know The Chain

Score of 40 (against industry average of 21), ranked 2nd among Japanese companies

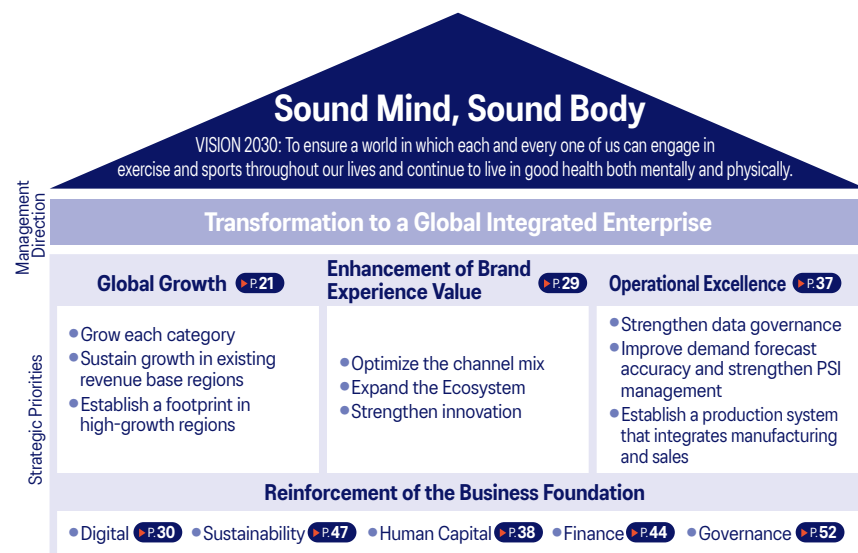
- Disclosure of quantitative information related to procurement actions and purchasing practices, and results of activities to redress employee issues in the supply chain

Mid-Term Plan 2026

Transformation to a Global Integrated Enterprise

Our management direction in Mid-Term Plan 2026 (MTP 2026) is “Transformation to a Global Integrated Enterprise” (GIE). By continuing to promote our Global × Digital approach, we will build an organized Category Management Structure Group-wide. In addition to placing the CEOs of regional business companies directly under the COO, the CEOs of business companies in key regions will be appointed executive officers of the global headquarters, further strengthening coordination between headquarters and regions on global management in addition to individual regional matters.

Three strategic priorities will be executed as part of MTP 2026: “Global Growth” by strengthening the management foundations, including human resources, and optimizing the portfolio on both a regional and category basis; “Enhancement of Brand Experience Value” to promote management based on the OneASICS membership program, expand customer contact points and offer premium brand experiences; and “Operational Excellence” to strengthen data governance using digital technology and build a production system that integrates manufacturing and sales.



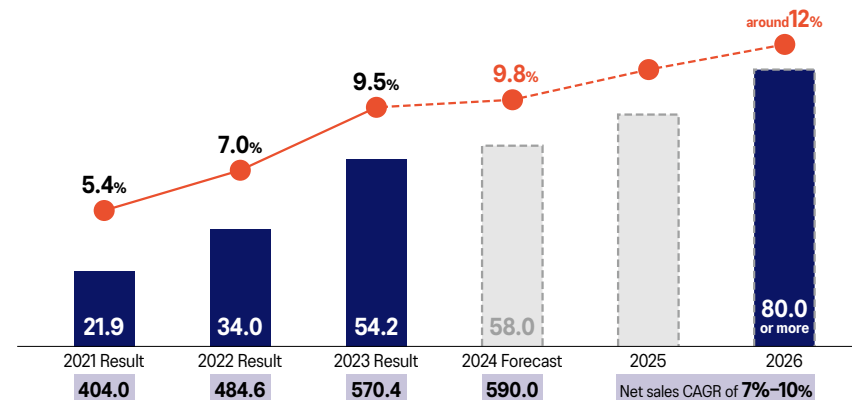
Plan and Index

In terms of the financial plan for 2026, we plan to achieve an operating income margin of around 12% with 80 billion yen or more in operating income. To achieve No. 1 profitability in the industry, we will pursue growth through revenue on a global basis while further enhancing the control of SG&A expenses.

In addition, we have set financial and non-financial targets. By realizing the Transformation to a GIE and reaching these targets, we aim to achieve sustainable growth and enhanced corporate value.

MTP2026 Plan and Index Under

(billion yen) ■ Operating income ● Operating income margin ■ Net sales



Topic	KPI	2026 target
Brand	OneASICS membership	30 million people
	DTC ratio	40% or more
Profitability	Operating income	80.0 billion yen or more
	Operating income ratio	around 12%
Growth potential	Sales CAGR	7%–10%
Inventory efficiency	Inventory turnover days (DIO)	Under 140 days
Capital efficiency	ROA	Around 10%
Shareholder returns	Total return ratio	50% (during the MTP 2026 period)
	Employee engagement score	70
Society	Ratio of employees with disabilities (only in Japan)	4.0%
	Ratio of females in manager and senior positions	40% or more

Category Growth Strategy

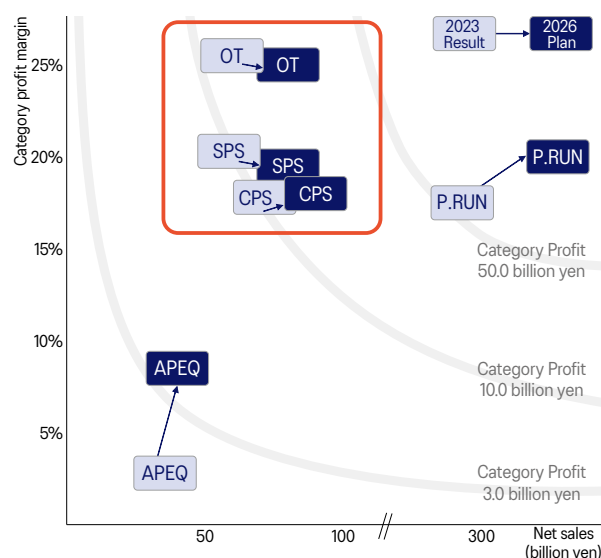
Across categories, in addition to further growth in Performance Running, which is our revenue base, we will accelerate growth in Core Performance Sports, Sports Style and Onitsuka Tiger as the next pillars of revenue. As well as pursuing growth in each category, we will drive optimization across the entire portfolio.

In Performance Running, we will continue to maintain and even grow our market share in Europe and Australia where we currently enjoy a strong share, while also focusing on expanding market share in the United States, achieving a No. 1 share in key regions by 2025. We will also establish a brand position on the way to becoming No. 1 by focusing on the rollout of high-value-added products in Southeast Asia and India as well.

In Core Performance Sports, we will concentrate on Tennis globally, growing the category to become the second largest after Running by gaining No. 1 market share. In addition, beyond Tennis we will set our focus sports based on regional characteristics and work to expand our market share in those sports.

With Onitsuka Tiger, where we already boast strong brand positioning and profitability, we will aim to further expand the size of sales in Japan, Europe, Greater China, Southeast Asia and elsewhere while maintaining profitability.

Business Portfolios by Category



Category-Specific Targets

Performance Category	
P.Run	Achieve the No. 1 market share in Japan, the United States and Europe by 2025
CPS	Achieve the No. 1 market share in Tennis and regional focus categories
APEQ	Maintain a profitable business
ASICS: Lifestyle Category	
SPS	Establish as a Premium Active Brand
Onitsuka Tiger: Fashion Brand	
OT	Establish as a Luxury Brand

Regional Growth Strategy

Across regions, we are building a portfolio split between regions where we enjoy an existing revenue base and regions where high growth is expected in the future. While we will aim for sustainable growth in operating income in regions with an existing revenue base, in high-growth regions such as India and Southeast Asia we will balance sales growth with profitability improvements.

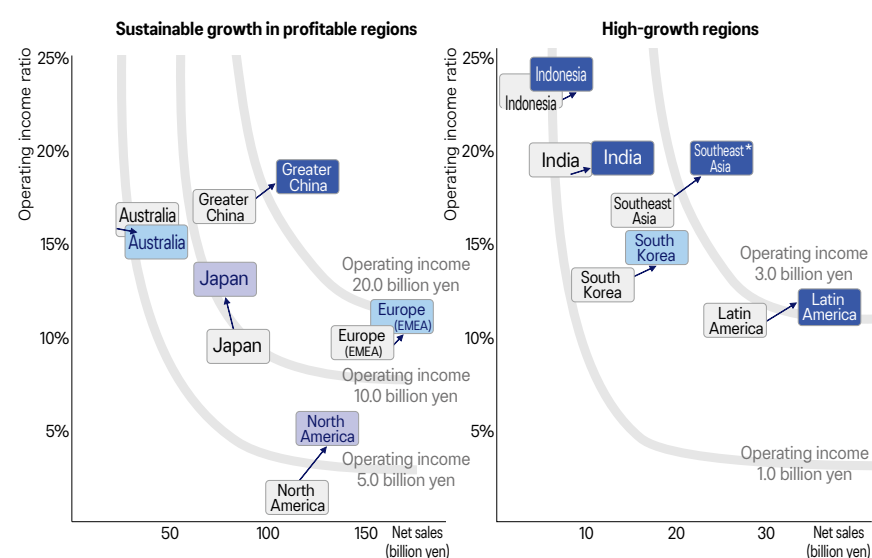
We view growth as important in Greater China as a region that will drive global growth. We will acquire new customers through efforts with digital technology and reinforce our brand position through brand management activities, expanding our market share in Running and other categories.

In Europe, a region with an existing revenue base, we will maintain our strong brand position while sustainably growing revenue with a focus on Running and Tennis.

In high-growth regions, we will set the goal of quickly achieving net sales equivalent to 100 million U.S. dollars and execute strategies tailored to each country. In addition to expanding market share with a focus on Performance Running and driving brand penetration, we expect project growth in Onitsuka Tiger.

Particularly in India, we plan to develop and expand DTC owned stores by increasing the local production ratio and will accelerate growth including plans to double net sales from 2023.

Business Portfolios by Region



Notes: 1. Including Onitsuka Tiger
2. Southeast Asia: Singapore, Malaysia, Thailand and Vietnam

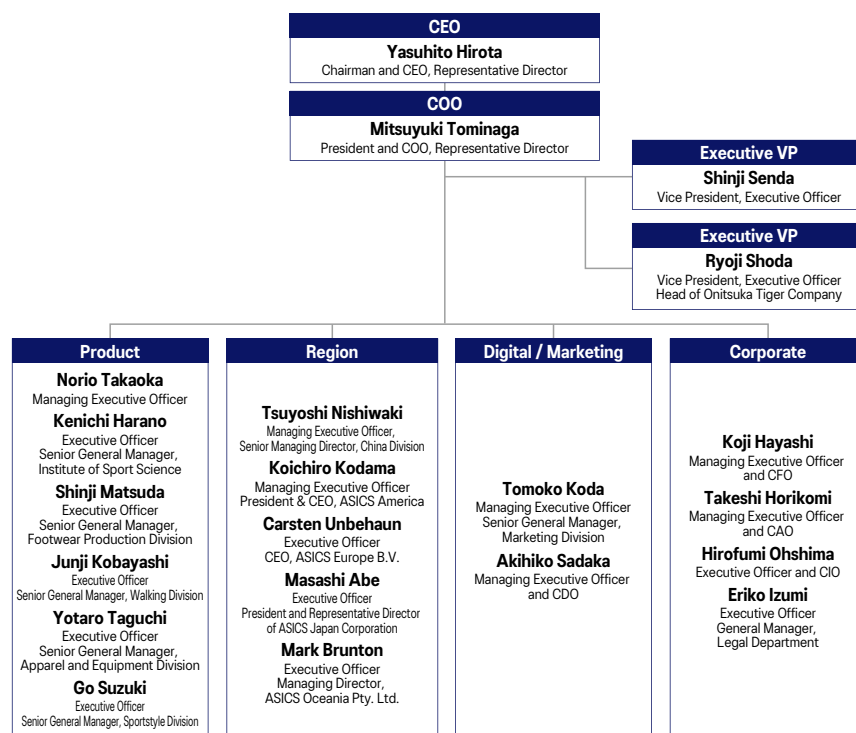
Management Team That Will Be the Driving Force Behind Strategy Implementation

To develop a structure that reflects the management direction of MTP 2026, we made changes to the organization in January 2024.

In addition to appointing Executive VPs and strengthening the management team with the president playing a central role, to speed up decision-making in corporate departments we abolished the division system and placed each department directly under the CFO or CAO to establish an effective and efficient structure.

While Digital and IT were previously handled by a single division, they have now been split into two. The Digital Division will be responsible for creating mechanisms that will better lead to the enhancement of brand experience value, whereas the IT Division will be tasked with responding to the evaluation of AI technologies anticipated in the future and the building of in-house systems to further operational excellence. By strengthening each of these areas, we will be positioned to execute the strategic priorities of Mid-Term Plan 2026.

2024 Leadership Team



TOPICS

The MTP 2026 Formulation Process

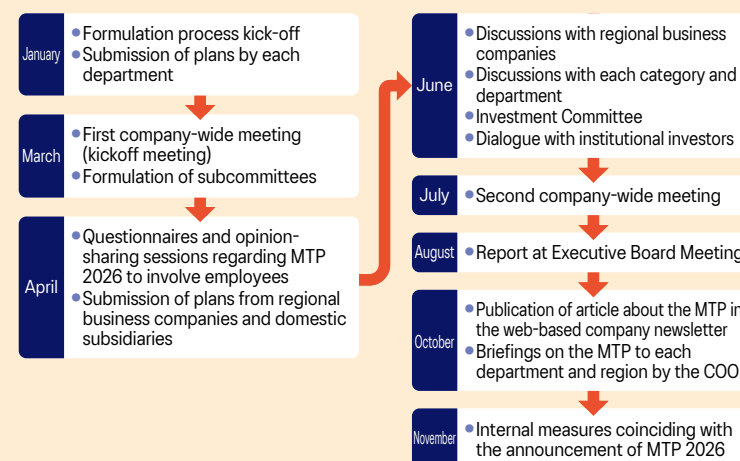
It took roughly a year to formulate MTP 2026.

For this MTP, we were particularly aware of the need to involve stakeholders. Based on the belief that MTP 2026 can only be achieved when each employee understands it and executes it accordingly, we involved many employees in the formulation process in addition to executive officers and related departments.

We had each department and regional business company consider their own mid-term plan and engage in extensive discussions. We also formed subcommittees to discuss common themes that span multiple departments, and this led to the establishment of "Enhancement of Brand Experience Value" as one of our strategic priorities in MTP 2026.

We also conducted company-wide questionnaires to gather feedback from regular employees, including young employees, and held opinion-sharing sessions for interested participants. By identifying ASICS' challenges and opportunities as perceived by employees and understanding what they expect from management, we managed to gain a deeper understanding of the current situation and verify the validity of our strategies. We also sought and reflected feedback from each Outside Director, conducted workshops run by analysts and exchanged views with institutional investors and other stakeholders to gain objective viewpoints and insights. This reflects our effort to emphasize dialogue with internal and external stakeholders as much as possible in the process of formulating MTP 2026.

Formulation Process (January to November 2023)



Management Commitment

Creating new value with the integrated strength of non-financial corporate departments

Takeshi Horikomi Managing Executive Officer and CAO



The Chief Administrative Officer (CAO), a newly established role starting this year, oversees a total of seven corporate departments that constitute the foundations of management at ASICS: Human Resources, General Affairs, Legal, Intellectual Property, Sustainability, Safety and Quality Assurance, and the Corporate Executive Office. The CAO will handle the range of so-called intangible assets such as sustainability, human resources, governance and intellectual property that have attracted attention in recent years as key elements to the enhancement of corporate value.

These seven departments have been consolidated under the CAO starting this year not only to enable each department to demonstrate its functions on an individual basis but also to boost ASICS' intangible assets and enhance corporate value by having the departments integrate and coordinate in more organic ways.

For example, the departments will create new value they could not otherwise on their own by undertaking the following initiatives.

① Improving employee engagement

We will strive to enhance employee engagement by integrating compliance system enhancements and awareness-raising (Legal Department), initiatives to protect the human rights of employees through the Human Rights Committee (Sustainability Department), well-being measures enabling employees themselves to realize a Sound Mind, Sound Body (General Affairs Department), and various human resources measures including DE&I promotion, employee education and evaluation systems (Human Resources Department).

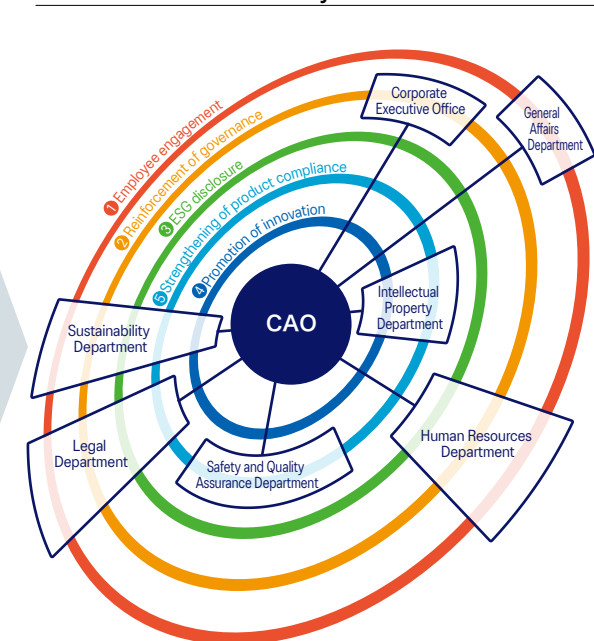
② Reinforcement of governance

When engaging in dialogue with shareholders, in addition to the conventional corporate governance initiatives (Legal Department), we will strengthen communication regarding environmental and human rights initiatives (Sustainability Department) and human resource-

January 2023



January 2024



related initiatives (Human Resources Department). In addition, we will work to further enhance the Board of Directors through coordination between the Legal Department, which serves as administrative body to the Board; the Human Resources Department, which designs systems including director compensation; and the Corporate Executive Office, which serves as a hub between outside directors and the company.

③ ESG disclosure

In complying with corporate ESG information disclosure requests such as the CSRD disclosure rules recently established in Europe, the Sustainability Department (environmental and human rights initiatives), the Human Resources Department (initiatives to enhance human resources) and the Legal Department (initiatives to strengthen corporate governance) will engage in cross-departmental coordination as part of ASICS' proactive efforts to disclose information about ESG initiatives.

Management Commitment

4 Promotion of innovation

ASICS' Sustainability Department has worked with operating departments on the development of advanced shoes that consider the environment, such as shoes responsible for the fewest CO₂ emissions in the world. Going forward, by coordinating closely with the Intellectual Property Department under the supervision of the CAO, the department will identify areas to invest in based on industry analyses utilizing patents and other IP information, thereby providing more innovative and sustainable products.

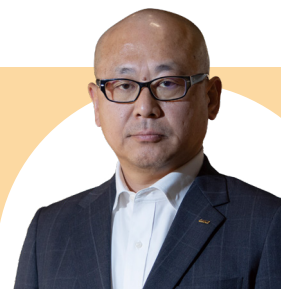
5 Strengthening of product compliance

In managing product safety and the observance of product-related laws and regulations (product compliance), which are vital to ASICS as a manufacturer, the Safety and Quality Assurance Department, the Legal Department, the Sustainability Department and the Intellectual Property Department have handled many issues on a stand-alone basis to date. By strengthening their cooperation under the supervision of the CAO, we will put in place a more comprehensive and efficient product compliance framework.

Today, ASICS still faces myriad ESG-related challenges, including reducing CO₂ emissions, improving transparency in the supply chain, enhancing employee engagement and increasing the percentage of female managers in Japan. As illustrated above, by having multiple departments work together under the supervision of the CAO to support operating departments and tackle various measures, we believe we can accelerate solutions to these issues and take our business value to an even greater level than before. We will demonstrate the collective strength of these seven departments as a management base that is vital to achieving MTP 2026 and sustainably enhancing corporate value.

Key Factors in Product Strategy for the Enhancement of Brand Experience Value

Norio Takaoka Managing Executive Officer



In MTP 2026, "Enhancement of Brand Experience Value" is one of our strategic priorities.

To achieve this, the following two points are important when considered on a category basis.

Evolution of the Category Management Structure

We introduced the Category Management Structure in earnest from 2019, and under MTP 2023 we were able to far exceed our targets for both net sales and operating income. Under MTP 2026, we hope to further evolve this Category Management Structure.

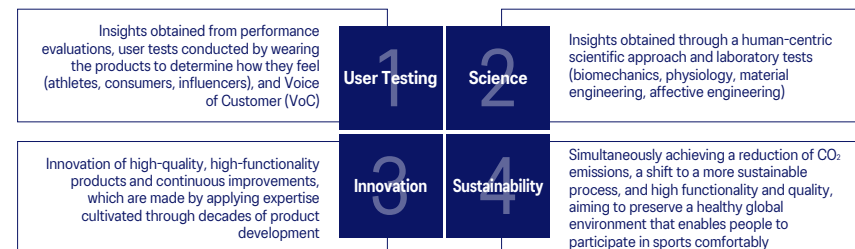
More specifically, to reinforce coordination between categories even more than before, in April 2024 we established ASICS CREATION CENTER LLC (ACC), based in Boston, USA. This company's key missions lie in innovation product planning. Since its introduction, we have been mindful that the category-based structure is a kind of vertically integrated organization that tends to make inter-category coordination weak and have made a point of sharing information between categories on a regular basis. With the establishment of ACC, our aim is to enhance brand experience value by further strengthening coordination from the product planning stages and enhancing our sense of unity as a brand.

Creation of Innovation

We believe that one of our key missions in category-based management is to "provide valuable products and services through sport to all our customers," as stated in the ASICS Philosophy.

Satisfying customers through our products and services is what leads to the enhancement of brand experience value. The core of our product strategy for achieving this is the ASICS Design Philosophy that was put together in 2023.

The Framework of the ASICS Design Philosophy



Management Commitment

ASICS has always had guidelines for design, but as the world has changed, we have revised our existing guidelines, reflecting the need to further innovate to convey what we want to communicate to customers about our value. This is the ASICS Design Philosophy.

With user testing, science, innovation and sustainability as key constituent elements to our philosophy, we believe that user testing in particular is a key first step in listening to customer feedback, properly understanding customer issues and discussing solutions with concerned parties to come up with innovations. That is why we set up a dedicated team for this purpose at ACC and will continue striving to develop innovation.



Looking ahead to 2026 – Promoting sustainable growth in Europe

Carsten Unbehaun Executive Officer,
CEO, ASICS Europe B.V.

ASICS aims to become the most loved performance sports brand in Europe and will continue to drive highly profitable growth toward that goal. Our target is to reach one billion euros in net sales and an operating margin of 11% by 2026.

What will enable us to achieve highly profitable growth are the three categories of Performance Running, Core Performance Sports (tennis and indoor sports) and Sports Style. Wholesale will continue to be our most important sales channel. We will look to further strengthen our relationships with key wholesale partners and optimize the wholesale channel. In the DTC channel, we will focus on expanding online sales through our OneASICS membership program and developing the digital running ecosystem.

In Europe, we have placed an emphasis on three pillars. These are the building of strong and highly engaged teams, boosting recognition among customers and partners, and enhancing business efficiency. We have set out clear actions and KPIs for each of these pillars and aim to achieve our goals by 2026.

As a member of the ASICS Group, we work closely with the global headquarters and aim to achieve the Transformation to a GIE by sharing expertise and making use of global talent.



Making OneASICS the next driver of management

Akihiko Sadaka Managing Executive Officer and CDO

I have assumed the role of CDO this year, the first year of MTP 2026. ASICS has long been working to build a running ecosystem through the development of internal digital platforms, the acquisition of race registration companies and other efforts, laying the foundations for becoming a data-driven company. However, in terms of whether we have been able to provide those elements as value that customers can recognize, there is still room for improvement.

Digital technologies can connect with more customers directly and efficiently. I believe that ASICS' use of digital technology represents a way to leverage those characteristics and deliver the strengths ASICS has refined over many years and its new value to even more customers.

In MTP 2026, we have set OneASICS membership of 30 million as an important KPI. We will gather people from around the world who identify with ASICS' vision under the shared OneASICS platform to create new value. I now feel a strong sense of responsible to lay the foundations of a business model that ASICS has not had before through the management of OneASICS.

Providing Technology That Helps the World Run Better

Russell We've known each other for many years, and I've seen you prioritize two things in every situation. One is the business outcome, driving a single way of working using digital technology. The second is your passion for people, helping the teams you lead to achieve great outcomes for the customers they serve. And congratulations on ASICS receiving the DX Grand Prix award from the Japanese government, an amazing award not only for ASICS but also for yourself.

Tominaga Thank you. Like any other sporting company in the world, digitalization is very important for us. What recommendations can you make to the business community?

Russell Historically, technology wasn't used to its fullest extent to drive business outcomes. Now, technology is more than the outcome itself; it is being used to drive value and outcomes for businesses and consumers that were not possible before.

I see ASICS leveraging its acquisition of Runkeeper and Race Roster to connect with consumers. They're digital means to connect to customers and create brand loyalty. I think the upcoming trend is going to be an explosion of using digital platforms to drive better business outcomes.

Tominaga When we started our careers, many executives were more interested in accounting and HR productivity from IT. Now, digital is really at the forefront.

Russell Today, stakeholders want to know "How are you using generative AI inside your business?" and "How do you apply AI to crucial business needs?" SAP is honored to be helping to answer those questions for major players in the sporting goods industry because our vision is to provide technology that serves people and businesses and helps the world run better. The proximity of companies to consumers is always getting closer, but with so many different channels and touchpoints, a consistent, deep brand experience is critical. Digital technologies let customers have a personalized experience, so their association with ASICS isn't only the product, it's the relationship, the journey.

COO × Expert Dialogue

Dashing into the Future with Digital Transformation

Before being appointed President and COO of ASICS in 2024, Mitsuyuki Tominaga spent three years as Vice President of SAP Japan, where he was colleagues with Scott Russell, SAP's Chief Revenue Officer. The two reunited for a talk about the challenges and opportunities presented by digital transformation.

Mitsuyuki Tominaga
ASICS President and COO



Scott Russell
SAP Chief Revenue Officer



I believe ASICS is highly passionate about two more things. First, sustainability—a healthy business has to be a sustainable business. Consumer choices will continue to differentiate on leadership in sustainability, and boards, shareholders and regulators will look at that as a critical factor.

The second is a willingness to change business models. At ASICS, you’ve grown significantly, but it’s not just about doing the same things more efficiently. You’ve been ready to change your business models and go-to market approaches, while expanding your partnerships.

You’ve Got to Be Passionate About Being Global

Tominaga We worked together on ASICS’ implementation of SAP FMS. When we started seven years ago, it was still very new. We had ups and downs, but learned a lot, and we’re using it very effectively now.

Russell That vision around a single way of working has been a multinational success. A global rollout isn’t easy to do, but now you’ve got much more flexibility than was possible before.

Tominaga Some of the difficulty during implementation was because of the pandemic. The team from Amsterdam was not able to travel to Japan, so they coordinated remotely for two years.

Russell You can run projects similarly to how you serve the market. Big events like a marathon or the Olympics, where you use physical means to capture the imagination of your customers, are important, but so much of a project can be done digitally to maintain a positive experience. That’s not easy to do, but reaching the milestones you needed to in a purely digital way is a credit to your team, and we were privileged to be a part of it.

Tominaga Thank you. Eighty percent of our revenue is coming from outside Japan, but there’s still a lot more integration that we can do on a global scale. Most of our Board members are in Japan, but we have a lot of talent in the United States, Europe, China and elsewhere.

Russell You’ve got to be passionate about being global and structurally follow through. There will be resistance, but there’s talent in different parts of the world.

When I joined SAP 15 years ago, a sales forecast had to be generated in a country first and then rolled out in the market. Now, my CEO can click a button and know exactly what all our operating metrics for a project might be.

For generative AI, the core ingredient is data, and there’s no richer data than SAP data. Purposeful data is your fuel, no matter how you lead.

Business Is Ultimately About Trying to Help Communities

Tominaga SAP also does quite a bit of sport sponsorship, right?

Russell We do. Tennis, golf, Formula One, football.

Tominaga Why do you do it?

Russell As I mentioned, SAP’s vision is to help the world run better and improve people’s lives. We serve companies who in turn serve the world and help make the world better. And there’s nothing better than a healthy mind and a healthy body. In business, we’re ultimately trying to help communities. It’s not just a sponsorship for us. It’s a true partnership where we work together, and we look forward to more opportunities to genuinely support people. This is especially possible through our partnership with ASICS.



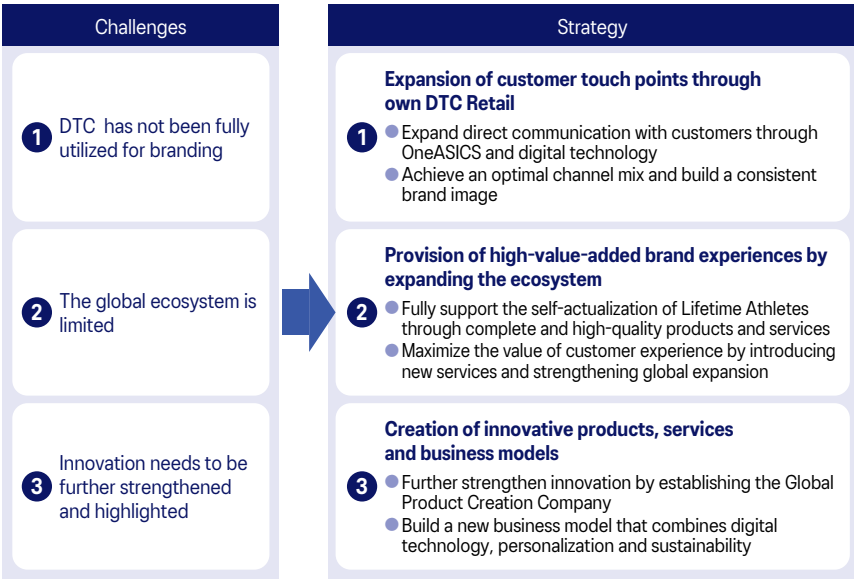
Marketing Strategy

Utilizing marketing activities, ASICS seeks to strengthen intellectual capital by enhancing brand experience value and social capital by pursuing more in-depth customer understanding and connections. In this section, we introduce the marketing strategies ASICS is implementing to achieve Mid-Term Plan 2026 (MTP 2026) and VISION 2030.

Overview of Strategies

Placing “Sound Mind, Sound Body” at the core of the brand, we have continued to implement our marketing strategies. In 2023, we rolled out a product campaign based on the theme of “#NothingFeelsBetter,” communicating the physical and mental sense of fulfillment gained by wearing ASICS products. In sports marketing, we continue to expand the adoption of race entry platforms such as Race Roster, njuko and RUNNET in the marathon races we partner with to expand the running ecosystem network.

From 2024, the first year of MTP 2026, we set the brand direction of “To Become the Most Preferred, Premium Sports Brand for the Lifetime Athletes.” We have set three strategic pillars to enhance brand experience value: (1) Expansion of customer touch points through own DTC Retail and EC, (2) Provision of high-value-added brand experiences by expanding the ecosystem, and (3) Creation of innovative products, services and business models. Based on these pillars, we will tackle future brand marketing measures.



Progress of the C-Project

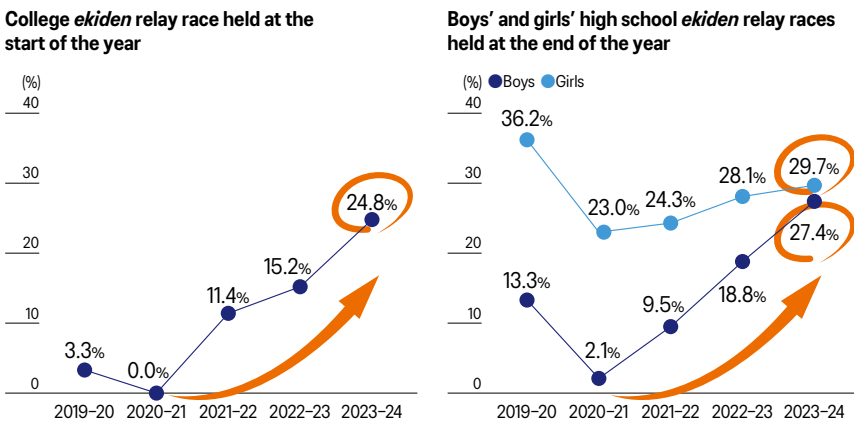
“Becoming the No. 1 Performance Running Footwear Brand” is one of the goals set out in MTP 2026, and we have been running the C-Project*¹ to develop products in collaboration with top athletes. As part of our efforts in 2023, we welcomed many top athletes as advisory staff*² and released four track spikes at the timing of the World Athletics Championships, Budapest 2023, in August 2023.

These initiatives have led to growth in ASICS’ market share. In 2023, there was a steady increase in the number of times ASICS-sponsored athletes competed at and podiumed at the six major marathon races. Moreover, the percentage of athletes running in ASICS footwear at the College Ekiden Race at the beginning of 2024 improved to 24.8% from 15.2% in the previous year.

In 2024, we will continue to work with top athletes on strategic efforts to create products that help win races. We will also continue Athlete Camp events aimed at cultivating young athletes and customer engagement on social media leveraging partnerships with top athletes.

*1 A project under the direct supervision of the CEO to develop products in collaboration with top athletes. The “C” comes from the Japanese word *chojo*, meaning “striving for the peak.”
 *2 A role in which top athletes use ASICS sports goods and provide product development advice

Share of ASICS shoes used in *ekiden* relay races



Initiatives to Enhance Brand Experience Value in the Japan and North America Regions

Closure of the gym attire in Japan

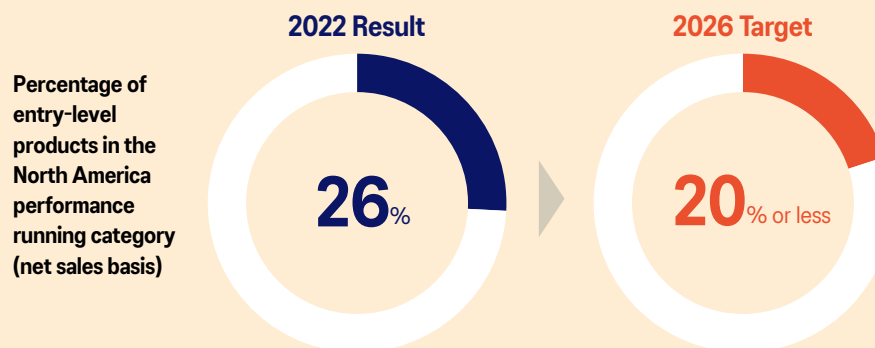
In recent years, the environment surrounding sports has changed significantly in Japan against the backdrop of the declining birth rate and aging population. One of those changes has been the privatization of school sports club activities. The population of youth ages 16 to 18 is expected to decline 11% over the decade starting in 2020, and the population of young people engaging in sports and club activities is expected to decrease as well. In addition, with the shift to privatized sports club activities, the environment is changing such that individuals have greater agency in their pursuit of sports. Uniforms and gym attire, once specified by schools, are now becoming more diverse and adhering to individual tastes. Accordingly, purchasing behavior is shifting from joint purchasing by schools to individual purchases that respect the choices of individuals. In light of these environmental changes and future customer trends in the Japanese market, from 2023 ASICS Japan set the vision of becoming the most preferred performance sports brand among lifetime athletes—those who challenge self-realization throughout their lives and lead high-quality lifestyles together with sports. With this in mind, a management transformation to enhance brand power and create sustainable profitability is under way. Particularly in implementing our category-level strategies through selection and concentration, we made the decision to end the school business (school-specified gym attire and shoes) effective at the end of 2026. We will continue to make every effort to strengthen the personal items we offer while improving the services and experiential values that are important to each and every customer.

Reductions to entry-level products in North America

With targeting fundamental profit restructuring of the North America business as a regional growth strategy for North America in MTP 2026, the review of wholesale channels is an important measure.

To deliver ASICS' products to our target consumers, namely runners and lifetime athletes, we will work to expand the business with running specialty stores and sports key accounts. At the same time, we will review our business with family channel retailers, where it is difficult to achieve differentiation with ASICS products. Specifically, we have focused investments on expanding our main performance running shoe products to extend collaboration with target wholesale accounts. On the other hand, by controlling the distribution of low- to mid-price range products, we will limit the entry-level products in the North American market from 22% in 2023 to under 20% by 2026. In doing so, we will realize ASICS' vision of selling the right products to the right consumers through the appropriate accounts.

In addition, to continually connect with the target consumers gained through those activities, we will work to provide premium brand experience by building an ecosystem, while aiming to enhance the brand image and improve profitability by reducing discounts through sales channel control.



Digital Strategy

The data and digital platforms of ASICS are particularly important as intellectual property leading to our medium- to long-term growth. In Mid-Term Plan 2026 (MTP 2026), we will support our transformation into a Global Integrated Enterprise (GIE) by proactively investing in digital technologies.

Overview of Strategies

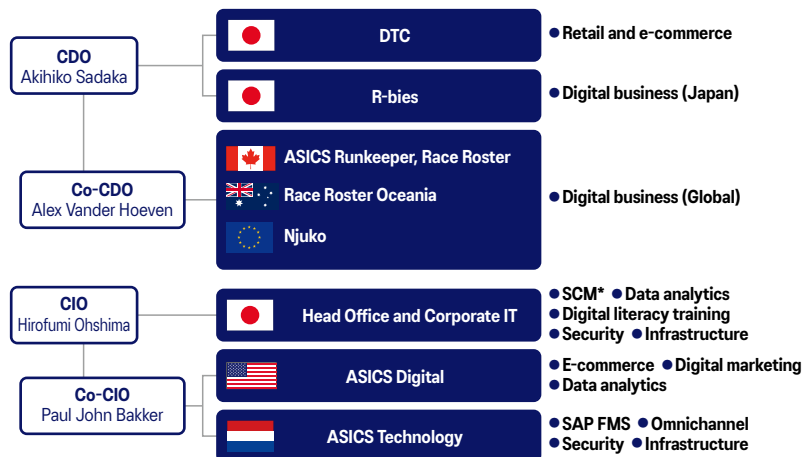
Through our investments in systems to date, we have put in place a global infrastructure facilitating swift management decisions by acquiring and analyzing sales data and customer data in real time. To maximize the effects of these investments and transform ASICS into the GIE envisioned in MTP 2026, we will aggressively execute our strategies.

Our digital strategy is the key to promoting the strategic priorities set out in MTP 2026: the enhancement of brand experience value and operational excellence. At the same time, pursuing more sophisticated IT and optimizing security will lead to enhanced management foundations that better support the growth of ASICS from a long-term perspective.

Through our digital strategy, by the end of 2026 we aim to raise our DTC ratio, a metric leading to the enhancement of brand experience value, to above 40%, while breaking the 30 million mark for OneASICS members.

Under the leadership of the President and COO, the customer interface is overseen by the CDO, while the CIO is responsible for driving operational excellence within the organization. We are building a global one-team approach by recruiting and developing talented individuals with IT skills, regardless of nationality or location.

Global Team for Our Digital Strategy



* SCM: Supply Chain Management. Managing the flow of related products, data and finances from raw material procurement to delivery to the point of consumption.

Enhancement of Brand Experience Value

The OneASICS member service lies at the heart of our efforts to enhance brand experience value.

By integrating purchasing data from e-commerce, daily running data, running race registration data and other information through a common OneASICS ID, we will gain a deeper understanding of each individual customer. Also, by making full use of these data points and engaging in communication tailored to each customer based on their activities, we will develop a deeper attachment to the ASICS brand and have more people experience our products and services. In addition, we will work to develop membership tiers with the aim of further strengthening connections with customers who demonstrate a high degree of loyalty to ASICS. By providing more fulfilling premium services and benefits to customers exhibiting high engagement levels, we will create a cycle that enhances the brand experience value.

While expanding the number of OneASICS members that will form our customer base, we will strengthen profitability through loyalty programs. Our aim is to realize Sound Mind, Sound Body for each customer in both quantitative and qualitative terms.

Overview of the Running Ecosystem



Digital Strategy

Data Utilization and Data Governance

In 2022, we completed the integration of global ERP systems in operating regions that account for roughly 90% of net sales. This has enabled us to monitor and analyze customer, sales and inventory data globally and in real time. To make full use of these data, in January 2024 we newly established the Data Analytics Team, which will focus on Business Intelligence (BI)*¹ and data analysis. In creating a dashboard by purpose and performing data analysis, we have accelerated swift management decisions, company-wide business streamlining and the implementation of strategic measures.

In addition, we will centrally manage the customer data acquired through e-commerce, retail and fitness app to provide more details on customer experiences.

Enhancing governance to ensure that data are utilized in a broader fashion is also essential. ASICS has established the Data Governance Board made up of members selected from each department to formulate rules and definitions, create opportunities to discuss issues related to data and perform data control to ensure that there are no deviations from the standardized rules.

We have also launched a program to raise the digital literacy levels of all employees and cultivate talent capable of promoting DX and digital technologies as part of ASICS' transformation into a GIE.

*1 BI: Business Intelligence. Practices that support an organization in data-driven decision-making.

Sophisticated IT and Optimized Security

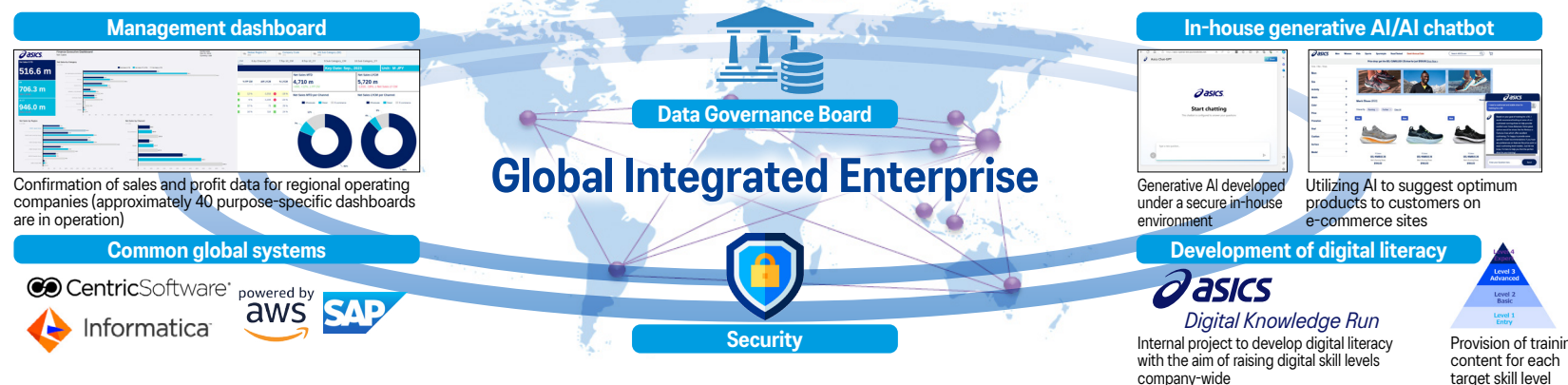
To develop more sophisticated IT, from 2023 we began the use of interactive generative AI under a secure in-house environment. At this stage, the system is used for translation, summarization, the creation of materials and information-gathering. In the future, we plan to have more AI utilization in product design and customer facing department. We also plan to conduct workshops and explore innovative utilization of generative AI.

The introduction of the latest technologies and the improved sophistication of IT will help us optimize and expand the services that we provide to customers. For example, on our e-commerce sites we are sequentially rolling out trials in AI-driven product recommendations, while on ASICS RACE REPORT*², which makes up part of our running ecosystem, we utilize AI for some data analysis functions to enable the creation of personalized reports within a short period. These are part of our aims to further improve customer satisfaction.

Supporting these efforts is optimized security. To address growing security risks, we have formed a global security team. The team disseminates information on security trends and works to prevent information leaks while mitigating risks from vulnerabilities. We also conduct company-wide regular training and tests to optimize employees' security awareness.

*2 A service that creates personalized reports that link to a user's next training session or race based on measurement data from the Runmetrix smartphone app and dedicated motion sensor.

Overview of Data Utilization Initiatives



Research and Development Strategy



ASICS' intellectual property, including its research and development capabilities and outcomes, is the driving force that creates highly competitive products and services. In this section, we introduce our strategy aimed at strengthening these qualities.

Research and Development Policy and Strategy

At the ASICS Institute of Sport Science (ISS), we embrace a policy of human-centric science and pursue research and development targeting not only athletes but also a wide range of users, in line with the company-wide vision to "Create Quality Lives through Intelligent Sport Technology." Currently, in addition to the Product Function Research Department, which is responsible for structural design, functional evaluation and material development, ISS consists of a division that conducts medium- to long-term technology development and basic research aimed at the early realization of VISION 2030, a division that conducts research related to human characteristics, a division that develops technologies and content utilizing digital technology, and a division responsible for overall research strategy.

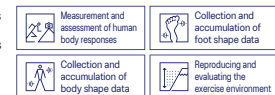
One of the strengths of research and development at ASICS is the enormous volume of data on human characteristics amassed over many years of research. For example, we have more than 100,000 records of motion analysis and more than 2 million foot-shape data, and those datasets are growing day by day. For more than three decades, we have utilized the insights from those data to develop original functional guidelines, while evolving our technologies on design and evaluation, material design and simulation with computer-aided engineering (CAE). Those efforts have contributed to improving the efficiency and accuracy of prototyping and verification processes, leading to the unique functional values of our products. This accumulation of technologies, knowledge and data backed by scientific evidence is positioned as a key component in our product design guideline, "ASICS Design Philosophy."

To achieve MTP 2026 and in turn VISION 2030, we aim to deliver brand experience that caters to a diverse range of values and needs in addition to the evolution of fundamental research and original base technologies that span multiple categories. We will promote the development of technologies geared toward globalization and in the areas of our shared company-wide themes: digital, personalization, and sustainability.

Research and Development Flow

01 Obtaining required functions

We measure and analyze body movement and forces, responses such as heart rate and breathing, the shape of the feet and the whole body, and even sensations. From this quantitative analysis and evaluation, and through listening to the voices of diverse users, we derive the functions and concepts required for products and services.



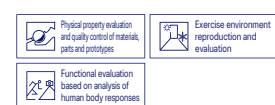
02 Design criteria

We determine the characteristics of structures and materials that achieve the required functions, and formulate design criteria and hypotheses for structures and materials. We determine the direction for prototyping and development through computer simulations and preliminary experiments.



03 Functional verification and evaluation

Using prototypes and computer models we conduct physical property tests, wearing tests and computer simulations to verify hypotheses and evaluate functions. We determine whether the target function can be expressed for the benchmark product and whether its quality is guaranteed. We aim to achieve the desired characteristics and functions by repeating the cycle of design, structural development and verification.



04 Commercialization and practical application

After functional verification, quality testing and mass production verification, we initialize commercialization and the practical use of the item as a new product. We employ the voices of our users and the data and knowledge obtained from the research process based on human-centric science not only for product development but also for service development, ensuring that we continue to evolve.



Challenges

Globalization of the research and development structure is insufficient to transform into a GIE

- 1 Building a global network, gaining prompt access to the latest research trends and conducting research, and developing a broader set of values and perspectives

Utilization of digital technologies to create brand value is limited

- 2 Creating experiences through OneASICS utilizing technologies including generative AI and sensing

Strategy

- Promote global data collection and market and user research in coordination with C-Project and the ASICS Creation Center
- Conduct research incorporating broad perspectives through the promotion of international joint research and projects
- Conduct multifaceted research and development incorporating knowledge and perspectives from different regions and cultures
- Cultivate specialized human resources who can succeed globally

- Leverage ASICS technologies and accumulated data to provide personalized solutions through OneASICS
- Build technologies that contribute to evolution of the ecosystem and new areas such as services and digital sports
- Implement technological coordination through partnerships at a global level
- Speed up the evolution of the ASICS Design Philosophy and value creation through the active use of AI technologies

Research and Development Strategy

Research and Development Outcomes

In 2023, we launched GEL-KAYANO 30 on the market, using a new sole structure based on research focused on how the posture changes during long-distance running. In addition, we established a method of calculation that clarifies the life-cycle assessment for the GEL-LYTE III CM 1.95, a sneaker that minimizes greenhouse gas emissions to the greatest degree in the history of sneakers, and developed carbon-negative foam, a material that helps reduce greenhouse gas emissions. On the digital technology front, we have helped expand the running ecosystem through the rollout of ASICS RACE REPORT, a race analysis service that utilizes accumulated running-related data. The utilization of proprietary big data is not only useful in the field of sports. Using growth data on children's feet that has been continually measured and accumulated over more than two decades by ISS, we have developed ASICS STEPNOTE to inform parents about the best time to replace the shoes of their kids. In connection with these advances, the GEL-LYTE III CM 1.95 received the Japan Sports Agency (JSA) Commissioner Award as part of the Japan Open Innovation Prize, while ASICS STEPNOTE won iF Design Award Gold*, illustrating the strong public recognition for our achievements.

Amid increasingly diverse user needs and a rapidly changing market environment over the course of the new Mid-Term Plan, we recognize the need to implement data-driven research and development and accelerate the creation of value that reflects the needs of users around the world. To coincide with the establishment of fundamental technologies that will realize ASICS' future vision and our vision for society, we will disseminate those achievements in various ways including new products, services and the unveiling of new technologies.

* The highest level of the design award recognized internationally as a mark of outstanding design by iF Design, which was founded in Germany in 1953.

ASICS STEPNOTE



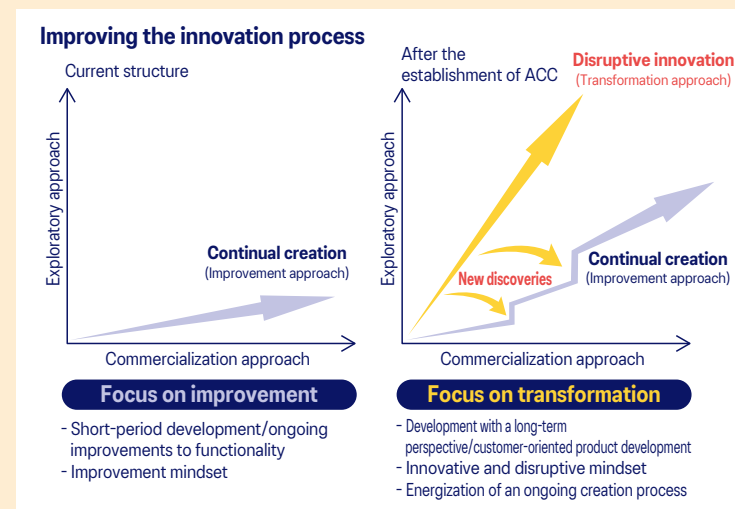
Longitudinal data on children's foot growth accumulated through continuous measurements by ISS

TOPICS

Establishment of the ASICS CREATION CENTER

To achieve ongoing growth in the sports market amid intensifying competition, in April 2024 ASICS established the ASICS CREATION CENTER (ACC) as an organization responsible for some global product planning, design, development and innovation functions in Boston, a location with a concentration of research institutes even by the standards of the United States, one of the world's hubs of sports trends that features a large market size and growing diversity.

ACC's key missions are to create innovation by combining the functions of fundamental research, planning, design and development, and to contribute in terms of products and services to the enhancement of brand experience value, one of the strategic priorities of MTP 2026, by strengthening coordination across categories in the product planning stages.



At ACC, we will continue to develop innovation and engage in customer-oriented manufacturing from a more long-term perspective.

In addition, the innovations we create will be used for conventional periodic product improvements, with the aim of developing efficient and consistent manufacturing.

Intellectual Property Strategy

To enhance its corporate value, ASICS utilizes intellectual property strategically and practices IP management that integrates intellectual property and management.

Basic Approach and Policies

To secure a competitive advantage, ASICS implements strategy proposals leveraging the IP landscape*¹ across related divisions and incorporates the strategic acquisition and utilization of intellectual property in its management strategies as part of IP management aimed at enhancing corporate value. In addition, we recognize that the ASICS brand is our greatest intellectual property and the practice of IP management will contribute strategically to the protection of the brand, the improvement of its value and the increase of our corporate value. Based on this recognition, we will continue to strengthen our IP strategy and brand protection.

The Intellectual Property Strategy Committee, which is composed of senior managers from across the company, was established to promote IP management and the fourth committee was held in 2023. The committee established its role as a meeting body that reviews ASICS' IP strategy and discusses current issues and future direction.

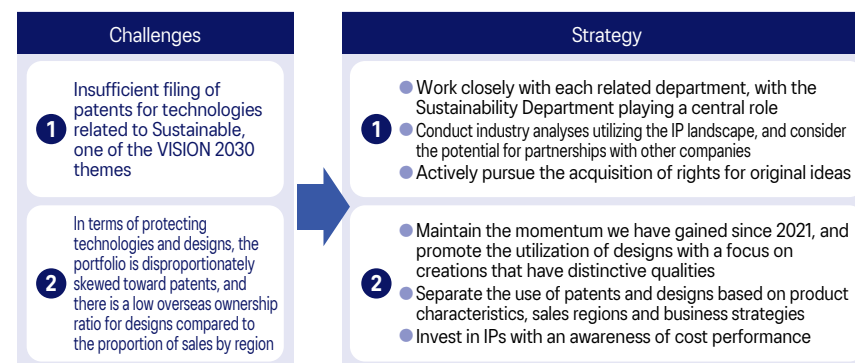
In terms of human resources, ASICS is focused on its transformation to a Global Integrated Enterprise (GIE) as the stated in Mid-Term Plan 2026 (MTP 2026). To achieve this, the Intellectual Property Department is working to strengthen the organization and cultivate human resources with the aim of building a borderless collaborative structure across the entire ASICS Group by utilizing opportunities for exchange through global meetings and overseas personnel dispatches, allocating IP-related personnel to overseas sites and utilizing digital tools.

*¹ IP: Intellectual Property. A method of comprehensively analyzing intellectual properties of the company and other companies as well as the market and using that insight in management strategy.

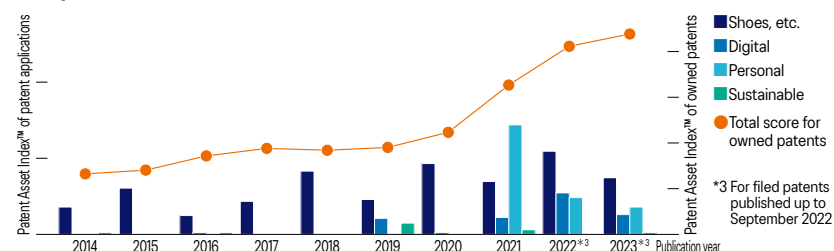
Establishment of an IP Portfolio

Until 2018, we had been building a patent portfolio that was focused on technologies related to shoes, but from 2019, we made progress in patent applications focused on technologies related to Digital and Personal, two of the three themes of VISION 2030 (Digital, Sustainable and Personal). As a result, steady progress has been made in the Patent Asset IndexTM*², which we have used to evaluate the competitiveness of our entire patent portfolio since 2019. We maintain a well-balanced portfolio of trademarks in Japan and intend to maintain this status in the future.

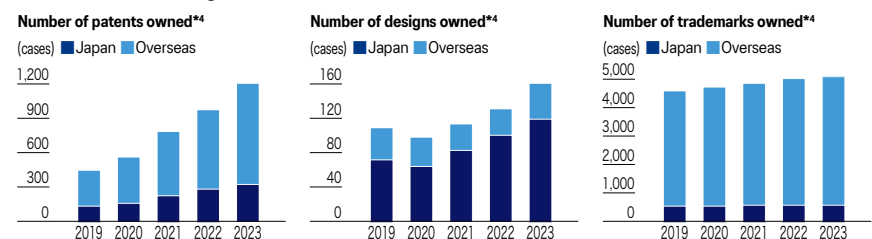
*² The Patent Asset IndexTM provided by LexisNexis is an indicator of the competitiveness of innovation across a company and a technological field overall.



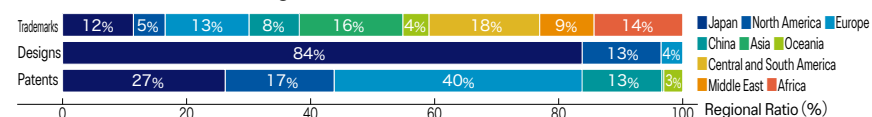
Competitiveness of Our Patent Portfolio



Shift in Patent, Design and Trademark Portfolios



Global Ratio of Patent, Design and Trademark Portfolios (2023)

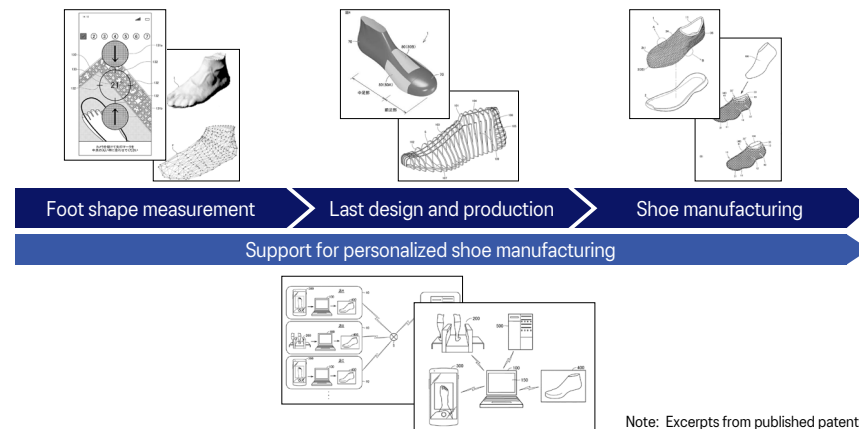


Intellectual Property Strategy

Examples of Patent and Design

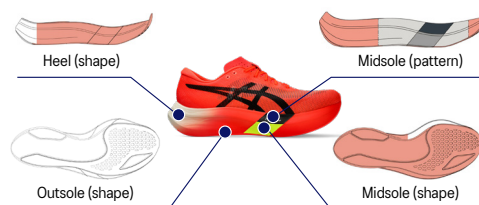
With Personal, one of the three themes defined in VISION 2030, we are making particular efforts to pursue strategic initiatives. In the phase of manufacturing shoes personalized to each individual, there are various steps including “foot shape measurement,” “last*⁵ design and production” and “shoe manufacturing.” For the key elemental technologies during each of these steps, we have made steady progress in acquiring intellectual property rights with a focus on patents. We will make further advancements in building a portfolio that includes the technologies required to deliver personalized shoes to customers, and we will continue to strengthen the protections afforded to technologies and businesses associated with personalization.

*⁵ A shoe mold for the manufacturing of shoes



The latest METASPEED PARIS developed by the C-Project is protected not only by patents but also by designs targeting its distinctive features.

Examples of Design Registrations



Examples of Our Trademarks

Global Trademark Registration Strategy

ASICS has registered around 5,000 trademarks worldwide with a focus on the house marks shown on the right. These represent efforts to protect our trademarks and enhance their value.

In 2023, we filed six 3D trademark*⁶ applications in Japan and China, and three of them were registered within the year.

By combining the use of 3D trademark registration and design registration, we protect the product designs and shapes that represent important IP for ASICS in multifaceted ways. Appropriately enforcing these rights helps to enhance our brand value.



Examples of 3D trademark registration

*⁶ A system for registering the functions that identify products or services through three-dimensional shapes as trademarks

Global IP Activities

At the annual meeting of the International Trademark Association (INTA), the world's largest IP-related event, which was held in Singapore in June 2023, ASICS was the only brand owner to host a booth, and we introduced our anti-counterfeiting activities. ASICS provided participants with a deeper understanding of the facts surrounding counterfeit products and enhanced exchanges with IP-related persons from around the world with the aim of finding partners to strengthen brand protection activities.



Production and Supply Chain Strategies

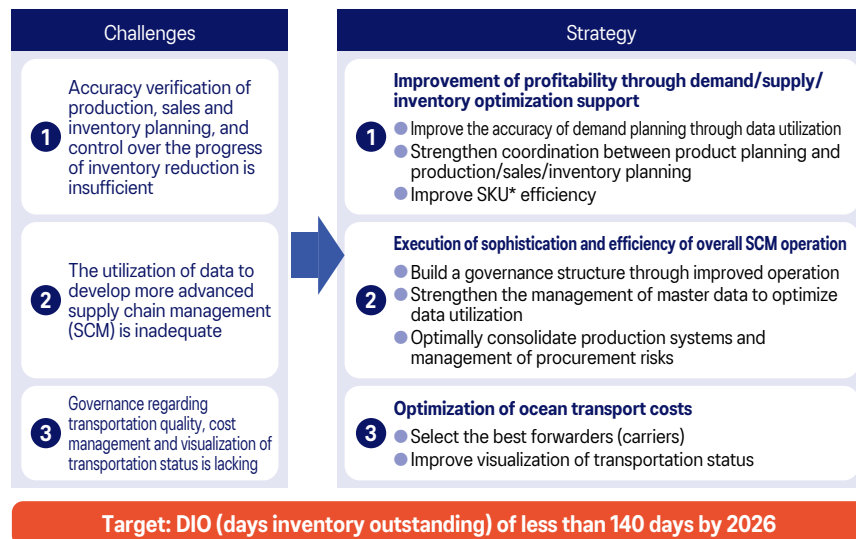


The production supply network and supply chain are key management resources linked to ASICS' manufacturing and social capital. In this section, we introduce our strategy aimed at strengthening these qualities.

Overview of Strategies

The production supply network and supply chain represent important management infrastructure to ASICS. Through sustainable improvements to production capabilities and supply chain innovation, we strive to maximize customer value while strengthening ASICS' competitiveness. Under our declared theme to "not manufacture, transport or leave behind any excess," we pursue a production and supply chain strategy made up of three pillars: (1) improved profitability through support for supply, demand and inventory optimization; (2) more advanced and efficient operation of overall supply chain management (SCM); and (3) optimization of marine transportation costs.

By having each division strengthen its functions while also coordinating with one another, we strive to improve inventory governance across ASICS and optimize the overall supply chain. By 2026, we aim to achieve a days inventory outstanding (DIO, the inventory turnover period in days) mark of less than 140 days through improved production efficiency, cost reductions and other measures. The Supply Chain Transformation Department that was newly established in 2024 to oversee the supply chain strategy for the entire ASICS Group will play a central role in formulating and executing the specific strategies to accomplish this.



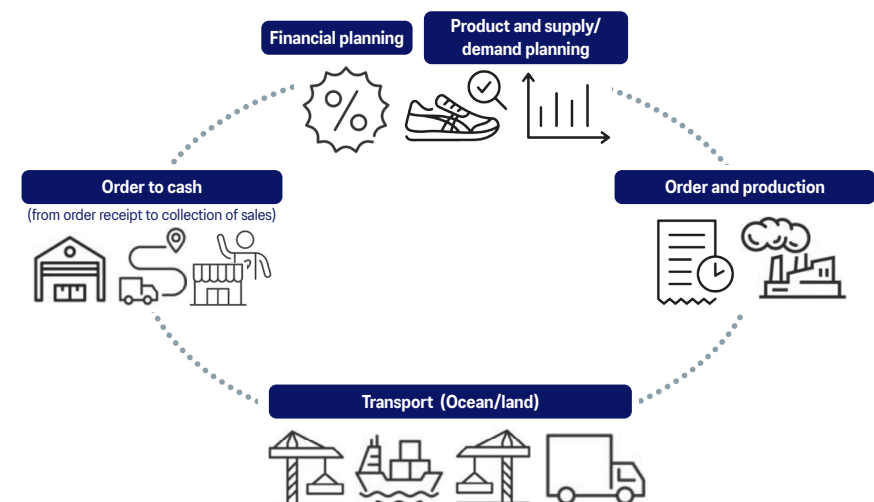
* SKU: Stock keeping unit. The smallest management unit used during order receipt, placement and inventory management.

Improvement of Profitability Through Demand/Supply/Inventory Optimization Support

We implement efforts to ensure the stable supply of high-quality products in all areas of the supply chain, from the formulation of product and supply-demand plans to order placement, production and transportation, through to the collection of sales from the receipt of orders. In the demand and supply planning part of this, we have built new Sales and Operations Planning (S&OP) processes that encourage coordination between divisions, and through the use of that data we are working to improve the accuracy of demand forecasting, speed up decision-making and optimize inventory volume.

In addition, by developing product plans that intersect each category and regional operating company and strengthening how those plans are coordinated with production, sales and inventory planning, we are striving for overall optimization. With regard to SKUs, by carefully examining demand trends in the market and reducing the number of SKUs on that basis, we are pursuing the selection and concentration of management units, leading to improved order placement efficiency and productivity. We aim to improve profitability through these demand, supply and inventory optimizations.

A Closely Coordinated Supply Chain



Production and Supply Chain Strategies

Execution of Sophistication and Efficiency of Overall SCM Operation

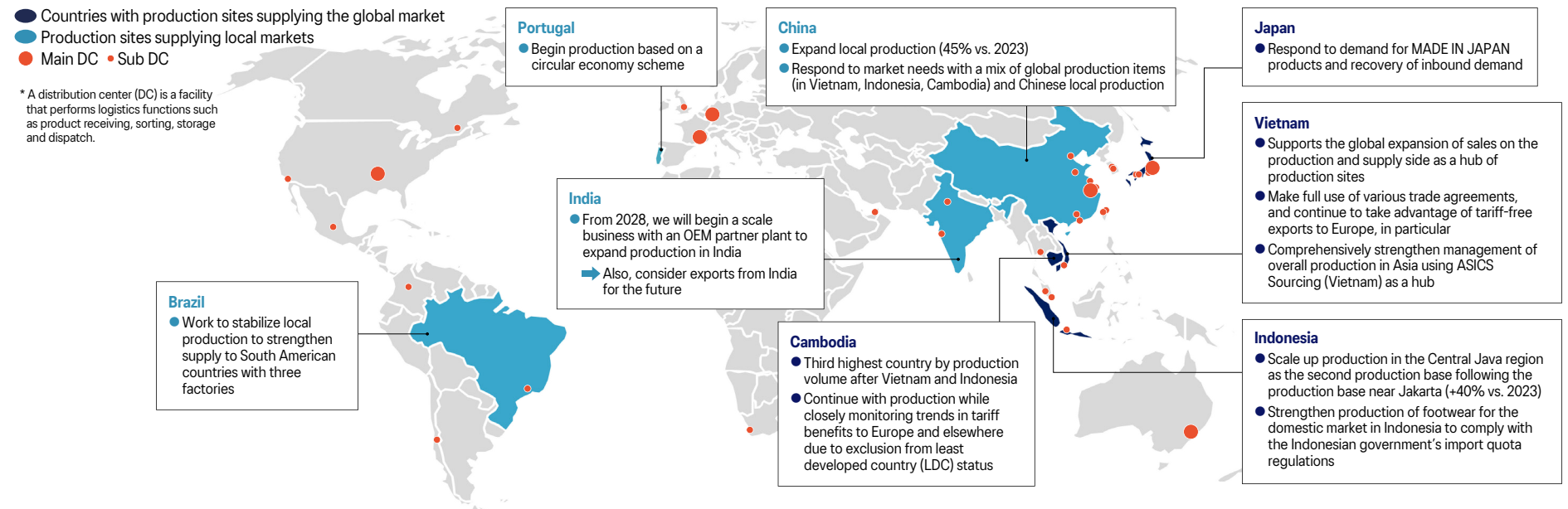
From an SCM perspective, we are working to build a Group-wide governance structure that demonstrates a sense of speed by having each regional operating company use common mission-critical systems, enabling data to be instantly linked and high-level analyses to be performed. We are also trying to strengthen risk management and compliance structures by clarifying responsibilities within the organization and establishing appropriate decision-making processes. We have also built process tools that were previously uniquely defined and operated in each region in order to unify and strengthen the management of master data. We will utilize globally unified data to achieve effective decision-making and more sophisticated operations. We must also deal with increasingly diverse and sophisticated needs in each market, along with various changes in the external environment, trade regulations and so on. To address these, we are working to improve competitiveness and

mitigate the risks of product supply disruptions by building production and supply networks spanning many sites.

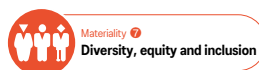
Optimizing Global Logistics

To optimize logistics globally, ASICS is considering new options of transportation, including the selection of the most appropriate forwarders (carriers) on a broad scale. In addition to effectively utilizing ASICS' owned assets, we will work with partner companies while exploring logistics strategies that will help improve transportation efficiency and shorten lead times. The supply chain is expected to become increasingly complex at the global level in the future. To properly manage it, we are developing digital innovations to visualize transportation processes, the current positions of containers, delivery schedules and other information in real time.

Key Points of Sourcing Strategies toward 2026 and Positions of DCs*



Human Resource Strategy



Human capital is the driving force behind sustainable value creation at ASICS. In this section, we introduce our strategy aimed at strengthening these human resources.

Overview of Strategies

ASICS aims to foster a corporate culture that raises employee motivation and enables both individual and company growth. Through a range of programs, we aim to develop an inclusive environment that embraces diversity, engenders mutual respect for each employee and enables their individuality and creativity to shine. To accomplish this, we have set goals based on specific metrics such as engagement scores and the female manager ratio, and drive the implementation of three strategies: (1) the realization of “Sound Mind, Sound Body” by employees, (2) the utilization of human resources globally and dynamically, and (3) the promotion of diversity, equity and inclusion (DE&I).

Investments in human capital are strategic in nature and essential for the medium- to long-term growth of a company. We will accelerate the implementation of our Global × Digital approach by further strengthening investments in human capital, including the development of systems that give back to employees. At the same time, we will strive for innovation through the diversity of individuals and an inclusive organizational culture.



Realization of “Sound Mind, Sound Body” by Employees

At ASICS, we believe that an environment in which each employee derives job satisfaction through their work is what promotes innovation, boosts productivity and enables us to deliver better products and services to customers. Engagement is a crucial part of this. Given this, ASICS conducts a Global Engagement Survey covering the entire ASICS Group, linking the survey results to human capital development, organizational development and business growth-oriented initiatives, and striving to promote employee well-being while developing a highly engaging workplace. In addition, to create an industry-leading compensation system, we have introduced a new restricted stock-based incentive scheme based on profit-sharing bonuses and an employee stock ownership association. Combined with other initiatives, this provides an environment in which we can acquire and foster the growth of talented staff. We also make use of digital technologies to provide diverse working styles and growth opportunities.

ASICS Group (Consolidated)

Engagement score

Response rate

79%

Score

66

(October 2022)

Response rate

89%

Score

68

(October 2023)

Ratio of females in managerial positions

Target

35%

(2023)

Results

38%

(June 2023)

Profit-sharing bonuses

System based on the principle of distributing a portion of profits that exceed the cost of capital among employees

Purpose

To ensure that profits are returned to employees as a company where all employees feel they have a personal stake in the cost of capital

Restricted stock incentive system

Creating opportunities to acquire restricted stock through an employee stock ownership association

Purpose

Align employee perspectives with the capital markets

Human Resource Strategy

Utilization of Human Resources Globally and Dynamically

ASICS is working to discover, nurture and promote talent who can work globally from around the world. As part of these efforts, the HR committee selects some employees as candidate successors for global top management and formulates individual development plans for them. We then develop their skills by running the ASICS Academy (a selection-based program to develop next-generation leaders) and implementing systematic job rotations. By having employees participate in our long-term overseas dispatch program, which lasts three to six months, we promote global and cross-regional exchanges of talent. Talented staff from ASICS companies around the world are selected to participate in the ASICS Academy, which is designed for management positions and higher, and English is used as the common language. We try to achieve the optimum number of people in light of productivity and efficiency at a global scale. By placing talent in suitable positions, we have set a target ratio of personnel expenses to net sales of 13%.

ASICS Academy



Diversity, Equity and Inclusion

ASICS has declared its vision for the promotion of diversity, equity and inclusion (DE&I): One Team, Stronger Together. Promoting DE&I not only leads to the provision of better products and services that cater to the increasingly diverse needs of customers but also helps employees accept and take advantage of one another's differences while creating an environment in which each employee can fully demonstrate their capabilities. We believe this leads to the sustainable growth of ASICS. In addition to promoting a multinational executive composition, we are implementing action plans incorporating both structural and non-structural aspects in each region to achieve our target of having 40% of management positions filled by women globally (25% at ASICS on a non-consolidated basis). We also implement internal measures to promote the employment of people with disabilities and improve their work environment.

Diversity, Equity and Inclusion

	Diversity	Equity	Improving recognition of DE&I
Target	Increase the ratio of women in management (Global: at least 40%, ASICS non-consolidated: 25%) Promote the employment of people with disabilities and improve their work environment (employment rate in Japan: 4%)	Achieve an equitable (fair) organization (set goals to address issues that vary by region)	Instill an understanding of DE&I internally (utilizing engagement survey metrics)
Measures	Create action plans for each region and implement them to meet targets - Mindset training and support for female talent who are candidates for management (on- and off-the-job training) - Training for supervisors to improve the workplace environment and support the success of their staff (in the workplace environment and via training with both structural and non-structural approaches)	Instill an understanding of concepts, aims and their value through internal communication Create and implement action plans based on the issues faced in each region	Take advantage of international events to promote internal measures and communication International Women's Day designated by the UN Kobe 2024 Para Athletics World Championships 2024 Paris Olympic and Paralympic Games, etc.

Human Resource Development and DE&I at ASICS

As part of ASICS' ongoing evolution as a globally integrated enterprise, the company is focused on the promotion of human resource development and diversity. We spoke with ASICS Corporate Strategy Division Deputy General Manager Eriko Takamoto and ASICS Mexico Country Manager Julien Dionot, both prior participants in the ASICS Academy executive management training program, about the company's initiatives in human capital development and DE&I.



Eriko Takamoto

ASICS Corporate Strategy Division
Deputy General Manager



Julien Dionot

ASICS Mexico Country
Manager

Learning at ASICS Academy, a Place to Nurture the Next Generation of Global Leaders

Today, we'd like to learn about ASICS' human resource development strategy and organizational philosophy. Could you begin by telling us about your history with ASICS?

Eriko I joined ASICS in 2007 and worked in what's now the company's footwear production division for about eight years. For one of those years, I was in Europe as an overseas trainee through a program organized by the Human Resources Department. In working with colleagues from around the world, I learned a lot about ways of handling projects and communicating, and I think it was very meaningful. I have taken maternity leave twice while at the company, and I'm now part of ASICS' Corporate Strategy Division.

Julien My name is Julien Dionot. I was born in France but currently live in Mexico City. I joined ASICS as a senior manager in 2014. From 2014 to 2016, my focus was establishing our wholesale business in the region, from square one. It was truly a blank slate when I started. After that, I was engaged in the launch of ASICS' e-commerce operations for Mexico. I am currently a member of ASICS North America, which supervises our operations in Canada and the United States, and serve as the country manager for AMX (ASICS Mexico).

We understand that the two of you are old friends, having become acquainted through the ASICS Academy. What sort of program does the academy offer?

Eriko The ASICS Academy is a training program with the goal of developing global human resources. The goal is to develop problem-solving skills from a global perspective by forming teams made of members from differing cultural backgrounds who participate in lectures, discussions and case studies of real-world business issues.

Julien During my time at the ASICS Academy, the topic I brought to the table was finding ways to improve our apparel business in the United States. The diverse team in our session found ways

to apply our career experiences to form a plan that would be profitable for ASICS as a whole, to figure out how to define and formulate those parameters, then how to advocate for management to implement the resulting solutions.

Eriko The training program was an immensely challenging yet meaningful experience. Over the course of refining business ideas together with teammates from diverse backgrounds, I encountered new ideas and values and learned so much.

Julien The ASICS Academy was a wonderful experience. I participate in many different conferences, but they're within my local regions. They keep me well informed about the United States, Canada and my home country, but through the experiences I had with the ASICS Academy, I was reminded that ASICS is a global organization. That understanding has helped me continue to grow and learn, so you could say that the ASICS Academy is laying a foundation for the future.

Eriko The opportunity to take part in training alongside members of the company from other parts of the world was amazing. When we hold training programs within Japan, often it is only Japanese people participating. There is so much more that can be learned at the ASICS Academy, from the perspective of boosting communication skills, acquiring knowledge and improving management skills.

The Value of Employee Development in ASICS' Corporate Culture

At ASICS, what sort of attempts are being made to develop human capital?

Eriko ASICS has a corporate culture that values employee development. There is a wealth of training sessions available where individuals can learn about how to motivate workers and produce team results, as well as acquire knowledge about topics such as finance, accounting and brand management.

Julien I've worked at several companies in Mexico, but ASICS is exceptional in its attitude toward human resource development. ASICS' founding philosophy is that mental and physical health are connected. "Sound Mind, Sound Body" is our company slogan, and those aren't just pretty words to me. They're something I truly believe and want to communicate to my teams. I think that philosophy creates a strong sense of solidarity and belonging at ASICS.

It feels like ASICS is very proactive regarding diversity, equity and inclusion measures.

Eriko Absolutely. For example, from a gender perspective, the cultural background in Japan has made it difficult for women to be chosen for promotion in some cases. At ASICS, we are trying to overcome this situation by fostering an environment where diverse employees can play important roles, making the company atmosphere more diverse. I think we are making great strides in this area as we aim for improvements and remain conscious of employees' values, of their desire to balance their private and work lives while still being active in their career. This allows for advantages like flexible work styles in which both men and women can take leave for childcare, or to take care of family members who need them.

Julien ASICS has a diversity and inclusion committee, and we have representatives of those communities related to diversity and inclusion, in each country. We try to promote DE&I as much as possible. Again, ASICS' slogan is "Sound Mind, Sound Body," and our corporate culture accepts diversity and positions it at the center of what we do. Being such an inclusive organization is what makes employees feel like they really are a part of ASICS. As a global company, I hope we can continue to foster work environments where even more diverse human resources play important roles.

It's clear that human resource development and DE&I initiatives are strengthening ASICS' position in the market. Thank you both for your time.

Hayashi Since 2018, ASICS has been steadily restructuring based around its strengths, including performance running and product functionality, while also transforming its systems in the shift from region-based to category-based management. CEO Hirota believed that he laid the groundwork in 2018 and from then on accelerated efforts to reestablish ASICS' brand recognition.

Okuno That's a good summary. In the case of ASICS, the success story of Onitsuka Tiger was so great that it might have fueled a desire to compete in the fashion sector. However, the fashion sector has lower barriers to entry, which also makes it difficult to highlight one's unique strengths. As a majority of serious runners were wearing ASICS shoes, from that time I was concerned that ASICS was not focusing on the functional aspects of its strengths. As Sun Tzu teaches in the *The Art of War* when describing how to "defeat a larger enemy with fewer troops," in order to take on more powerful competitors, I believed that ASICS needed to concentrate its resources to win in its areas of expertise.

Hayashi I agree. Thankfully, the effects of our transformation have materialized and the capital markets have recognized this, taking ASICS' market capitalization beyond one trillion

yen. Personally, I have been involved with accounting, finance and IR, as well as supply chain management. I hope to take the aspect of developing demand forecasts and reflect that in manufacturing and inventory control-making them more data-driven.

Okuno It would not be an exaggeration to say that the basic focus of CFOs at U.S. firms lies in the cash conversion cycle (CCC).

Hayashi We have set a target of raising the direct-to-consumer (DTC) ratio to 40% by 2026, and this breaks down to 20% of sales from directly operated stores and 20% from e-commerce. In 2018, we were running 1,100 directly operated stores, but in the interest of profitability the approval process for new store openings was transferred to the headquarters in order to strengthen governance over store openings. We also made the bold move to close underperforming stores, reducing the number of stores to 600. At the same time, we created a system to allocate a portion of sales from e-commerce to digital investment and managed to build a common global e-commerce platform.

Okuno I see. ASICS has narrowed its focus to the areas where it enjoys a competitive advantage by providing added value beyond that of the competition to its target customers.

This is also important when establishing a brand. It is the manufacturer that is responsible for creating customer value, not the retailers or wholesalers in the middle. With the spread of e-commerce, shelf space that was once limited is no longer so, and that means that retailers and wholesalers need to find their own value, such as customer-centric perspectives like "if you come here, you can get products for the lowest prices." In that kind of competition, the only way for a manufacturer to survive is to have its brand stand out. In other words, they have to aim for a world that is not dependent on channels, where it doesn't matter who is standing in the middle. In that world, a company's directly operated stores can promote its brand most effectively, it is easier to ascertain demand trends and CCC becomes easier to control. That's why I think expanding DTC was

How do the capital markets view the path ASICS has taken?

On April 2024, Chief Investment Officer (CIO) Kazushige Okuno of Norinchukin Value Investments Co., Ltd., and ASICS CFO Koji Hayashi sat down for a talk, exchanging views on the progress of ASICS' recovery and its way forward.

Koji Hayashi

Managing Executive Officer
and CFO

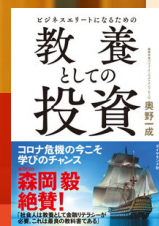
Kazushige Okuno

Norinchukin Value Investments Co., Ltd.
Managing Director, CIO





Since 2007, Kazushige Okuno has practiced long-term, highly selective investment in *structurally robust companies*®. His book, *Investment as a Liberal Education: How to Join the Business Elite*, is a bestseller with 110,000 copies printed to date. In the book, he pointed out that ASICS would face stiff competition in the global market in terms of the scale of resources it could allocate to marketing.



absolutely the right direction for ASICS to take.

Hayashi With our running ecosystem strategy, we acquired race registration companies in Japan, Australia, Europe and the United States, and expanded our touch points with runners. In addition, by obtaining data such as the race participation history and training records of users, in the future we will be able to propose products and services tailored to each individual customer.

Okuno That is something I hope you will continue to make progress on. When you control an entire ecosystem, it represents a positive for customers with diverse needs. In addition to products suited to a customer's running style and goals, if you can deliver services, including medical services in a subscription format, you can help advance the health of customers, and that matches the philosophy to which Kihachiro Onitsuka aspired. ASICS has a competitive advantage that enables it to provide added value, and it is benefitting from the long-term trend of increasing health consciousness among people. Running is the easiest sport to take up. It would be interesting to also focus more on walking as the stage that comes before running.

Hayashi As there aren't as many walking competitions as those for running, we need to find innovative ways to encourage people to continue to walk. Also, from a manufacturing perspective, as walking doesn't involve the feet leaving the ground as with running, the functional aspects required of the shoes differ. If we can promote the products well,

including those differences, there will be greater opportunities for walking shoes, not only in Japan and other countries with aging societies but also in countries with large populations and fast-growing economies such as China, India and Southeast Asia, and even in the Middle East and other regions. To that point, India's Mumbai Marathon attracts 60,000 runners, far greater than the 35,000 who take part in the Tokyo Marathon. On the other hand, in developed countries we will maintain a sharp and narrow focus on sales and profits.

Okuno There is statistical data suggesting that one in every 10 people in developed countries is a runner. If you can link this to the medical sector with a focus on that demographic, in the future that data could be utilized in other ways, such as to obtain discounted insurance premiums from insurance companies. Data being difficult to collect is what turns it into a competitive advantage. And where that data is collected represents a contact point.

Hayashi I agree. ASICS has accumulated data on more than 10 million people who take part in at least one running race a year.

Okuno It is important to approach data collection with the intention of selling it from the outset rather than simply gathering data as a consequence of some other activity. In the future, data will become a source of wealth in management. In that sense, I feel that ASICS has a competitive advantage, including in terms of its long-term trends and strategies. Moreover, Kihachiro Onitsuka's philosophy is appealing. Without a mission a company cannot survive, and talented human resources will be drawn to that mission and gather together.

Hayashi I agree. Under our new president, Mitsuyuki Tominaga, we will significantly increase our investments in human capital in 2024. In addition to raising the starting salaries for new graduate hires, we distributed 100,000 yen each to all global employees as a way to share the profits from our excess over the cost of capital. In developing countries, where we will be focusing our efforts in the future, I think this approach will represent a significant incentive to employees, and we aim to expand the profit-sharing amounts. Furthermore, we plan to have all managers ranked departmental manager and above own shares in ASICS, starting with managers in Japan and extending globally next year.

Okuno Having employees become shareholders is crucial in raising their awareness of share prices. Even for outside directors who play the role of overseeing business execution on behalf of shareholders, many U.S. companies have systems requiring them to purchase shares equivalent to three years' worth of their compensation.

Hayashi Looking ahead, we want ASICS to be a company that continues to drive progressive initiatives in the capital markets. Thank you for the valuable views you have shared today.

Financial Strategy

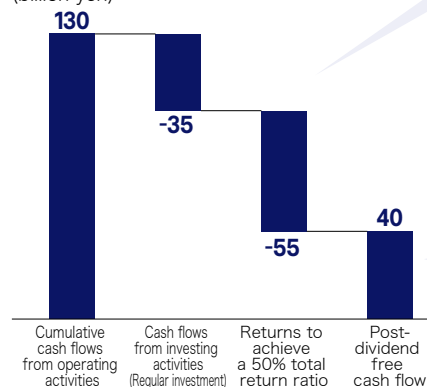
In this section, we describe the financial policies and initiatives ASICS is undertaking to enhance its corporate value.

Cash Allocation, Shareholder Return and Capital Policy

Over the three years of Mid-Term Plan 2026 (MTP 2026), we plan to make regular investments of around 35 billion yen primarily to maintain our existing businesses and allocate approximately 55 billion yen to shareholder return, funded by roughly 130 billion yen in cumulative cash flows generated from operating activities. The remaining funds will be used for growth investments.

Three-Year Forecast of Cash Flows

(billion yen)



- Total return ratio: 50%
- Issuance of progressive dividends

1 Investment in the running ecosystem

- Consumer data platform
- Loyalty program
- App development, payment functions, etc.

2 Investment in growth markets

- Omnichannel and CRM* in high-growth regions
- Strengthening of production systems, etc.

3 Investment in management infrastructure

- Upgrading of mission-critical structures
- Supply chain management system
- Investments in globalization and digital technology promotion, including the establishment of new companies

* CRM: Customer Relationship Management. Actions taken to build and maintain positive relationships with consumers.

Inclusion in the MSCI index

In May 2024, ASICS was adopted as a constituent stock in the MSCI Japan Standard Index, one of the international investment indices compiled by Morgan Stanley International (MSCI).

We will continue to make every effort to diversify and enhance our IR activities to earn further recognition from the capital markets.

Best IR Award

In Best IR Award 2023, which is judged by the Japan Investor Relations Association, ASICS received the Best IR Award and the Kyokan! IR Award ("Empathy-evoking IR Award") for the first time.

ASICS received the awards in recognition of efforts including the ambitious enhancement of IR activities with top management playing a central role, detailed information disclosures and enriched dialogue based on a commitment to strategic understanding.

TOPICS

Acquisition of Treasury Stock and Stock Split

In light of the balance between shareholders' equity and fixed assets in keeping with ASICS' business model, from a strategic perspective we set a treasury stock acquisition limit of 15 billion yen in total and completed around 15 billion yen worth of acquisitions on March 22, 2024. This enabled us to optimize the capital level on a consolidated basis while achieving a total return ratio of 50% over the 2021 to 2023 period, which was a target in Mid-Term Plan 2023.

We also decided to implement a stock split (into 4 shares for each share of common stock) with an effective date of June 30, 2024. By reducing the monetary amount per investment unit, we aim to improve the liquidity of the shares and expand the investor base. We will increase the effective annual dividend per share by 10 yen for 2024. In addition, to make ASICS stock an attractive choice for individual investors with the start of the new NISA program in mind, we will enhance the advantages and convenience of holding ASICS shares with respect to shareholder benefits.

Revised dividend forecast for the fiscal year ended December 31, 2024

	Dividend per share (Yen)			Effective result
	2Q-end	Fiscal year-end	Total	
Previous forecast (February 9, 2024)	35.00 yen	35.00 yen	70.00 yen	Up 10 yen
Revised forecast (Dividend based on the ratio before the stock split)	40.00 yen (—)	10.00 yen (40.00 yen)	— (80.00 yen)	

Enhancement of the shareholder special benefit plan

Criteria common to owned stores and e-commerce sites for sending electronic tickets	Period held		
Number of shares held	Less than 1 year	1 to 3 years	3 years or more
100 shares or more Less than 1,200 shares	25% discount 10 electronic tickets each	30% discount 10 electronic tickets each	
1,200 shares or more	30% discount 10 electronic tickets each		40% discount 10 electronic tickets each

Financial Strategy

Management With an Awareness of Stock Prices and the Capital Cost

With regard to the capital cost, we ascertain expected figures from the capital markets through proactive discussions with institutional investors and the financial institutions we patronize, develop management plans and business strategies with that information in mind, and reflect that insight in various investment decisions. By introducing a global profit-sharing scheme in which we return a portion of consolidated net profit that exceeds the capital cost to all employees within the Group, we have built a mechanism for all employees to view the capital cost from the same perspective as the capital markets and feel a sense of ownership over it.

As a management indicator aimed at capital efficiency we have set a target for ROA, which enables all employees to take part in improvement activities at their respective sites. The results are disclosed after breaking it down into its constituent components. In 2023, ROA was 7.9%, far exceeding the Mid-Term Plan target of 4.0%. We will continue to seek improvements by enhancing the profitability of our core businesses, exercising strict control over SG&A expenses, and optimizing inventory and the working capital that includes it.

Challenges	Initiatives Based on an Awareness of the Capital Cost
Room to improve the capital cost ASICS ROE (as of the end of December 2023) 18.8% Capital cost Approx. 10% Median value of the 150 constituent stocks of the JPX Prime index (as of April 30, 2024) ROE 13.3% Capital cost 6.7% Source: Materials from securities firms, etc.	Further enhancements to IR activities - We have steadily increased the number of IR meetings with investors to more than 900* in 2023. - From 2023, we began disclosing video, scripts and Q&A for our financial results briefings, and began tours of our overseas sites in January 2024. - We will make further improvements to simultaneous Japanese and English communications with members of the capital markets. * Total number over a one-year period, including the number of investors participating in small meetings. Stock split - We aimed to increase the ratio of individual investors and improve stock liquidity by lowering the price per investment unit. - That capital cost is also expected to decline as a result. Introduction of compensation systems - We introduced profit-sharing-oriented bonuses and a transfer-restricted stock-based incentive scheme, while considering capital cost. - As a result, we created mechanisms whereby not only corporate officers but also regular employees are aware of how ASICS is rated by the capital markets.
Transfer of shares in Haglöfs AB	In 2010, ASICS acquired the Swedish outdoor goods manufacturer that has been in business for more than a century. In December 2023, it was sold to a Hong Kong-based investment fund. 

Enhanced IR Activities

ASICS has created structures to ensure that the expectations and awareness of issues from the capital markets reach top management directly. We are endeavoring to enhance interactive dialogue with the capital markets, including the consideration and proposal of improvement plans that take feedback into account, and the holding of workshops run by analysts for all executive officers from the president down. By building these structures to ensure that feedback reaches ASICS internally, we have created a cycle where the views received from shareholders and investors are reflected in each iteration of our IR activities. In FY2023, we went into greater depth with shareholder return policies and our strongly performing category strategies that are of particular interest to the capital markets, and included disclosures regarding the impact of foreign exchange rates on our business in our explanations. We also addressed the demand for disclosures about business expansion potential in growth markets by adopting that as an investment day theme and providing overseas inspection tours for analysts and other related parties. In these ways, we have developed increasingly diverse and enriching dialogue with members of the capital markets.

Results of Activities in FY2023

Contents	Main responsible people	Number of times held	Main themes and concerns
Financial results briefings	CEO, COO and CFO	4	- Review of management reforms over the past few years, background on how the effects of management reforms have materialized - Direction of medium-term management and business strategy - Advantages over global competitors and competitive issues - Probability that results forecasts will be met - Sales strategies in each category and region - Digital strategy - Capital policy and returns to shareholders - Financial strategy - Initiatives to optimize inventory levels, etc.
Investment Day	CEO, COO, CFO, head of the Corporate Strategy Division and others	2	
Dialogue with domestic and overseas institutional investors and analysts	CEO, COO, CFO and head of the Finance Department	906*	
Domestic and overseas institutional investors (Long-only investors)	CEO, COO, CFO and head of the Finance Department	171	
Sell-side analysts	CEO, COO, CFO and head of the Finance Department	55	
Other shareholders	CFO and head of the Finance Department	680	
Briefings for individual investors	CFO and head of the Finance Department	2	
General Meeting of Shareholders	CEO, COO, CFO and CAO	1	

* Total number over a one-year period
Including participation in small meetings and other events

Delivering Feedback to Management

Content of feedback	Reporting line	Frequency	Contents
Regular reports made at Board Meeting	Board Meeting	As appropriate	Reporting on the status of financial results meetings and comments and questions from analysts and investors as feedback from the capital markets
IR monthly highlights	All Executive Officers	Monthly	Sending out information on matters of interest to capital market participants, various analyst consensus, trends in stock price-related indicators, status of IR activities, etc., via e-mail



What's new?

Message from the President

Investment

Foundations of Value Creation
Sustainability

04

Foundations of Value Creation

Sustainability

Approach to Sustainability

For more information, please refer to pp.6, 16 and 30 of our Sustainability Report.

Since 1949, our purpose has been to help people achieve a sound mind in a sound body. To do this, we need a sound earth to run on. To make a positive impact on people and our earth for the next generation, our efforts focus on two pillars that reflect ASICS' Sound Mind, Sound Body brand slogan: People and Planet.

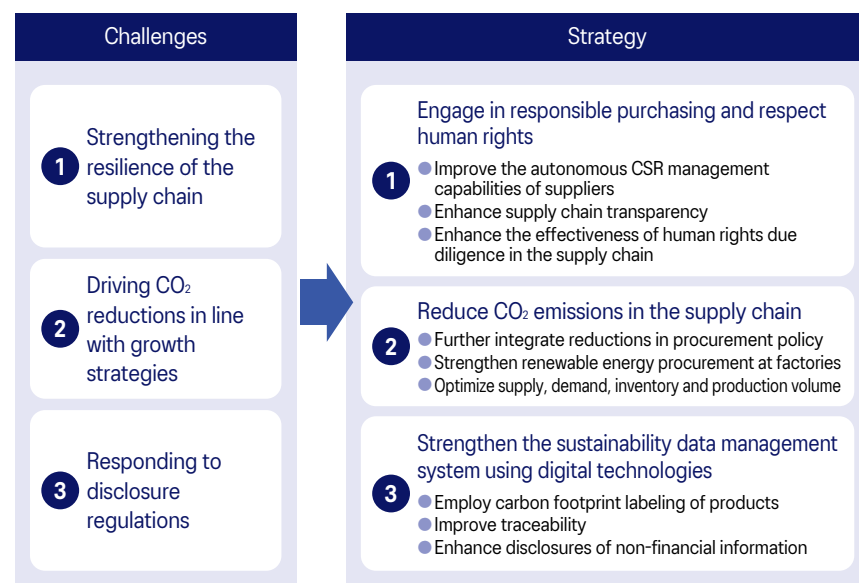
Basic Approach

People

ASICS aims to ensure a world in which each of us can engage in exercise and sports throughout our lives and continue to live in good health, both mentally and physically. To ensure this, we work to advance the mental and physical well-being of consumers through our products and services, and promote the mental and physical well-being of each employee, while also respecting the human rights and contributing to the mental and physical well-being of every person working in our supply chain.

Planet

We aim to reduce greenhouse gas emissions by 63% at our offices and in the supply chain by 2030 and achieve net zero by 2050. We are the first sporting goods manufacturer to be certified by the Science Based Target (SBT) initiative. To achieve these targets, our efforts are focused on building a circular business model across the entire value chain.



Indicators and Targets

People

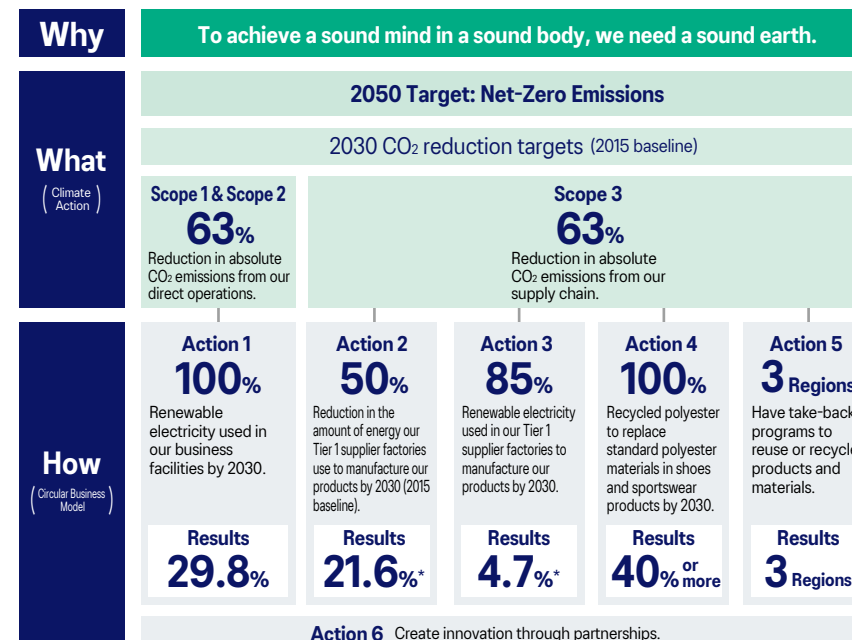
Indicators	Target	Progress (2023 Results)
Ratio of Females in Manager and Senior Positions (%)	40% or more (2026)	38.1%
Percentage of Tier 1 Supplier Factories above ASICS Standard* (%)	100%	99%

* Detailed information is available on the "Managing and Monitoring" section of our website.
<https://corp.asics.com/en/csr/people-supply-chain/managing-and-monitoring>

Planet

Greenhouse Gas Emissions Reduction Targets

(Target scope is "purchased goods and services" and "end-of-life treatment of sold products.")



* Figures for footwear factories
 The introduction of renewable energy was started in 2023 and will be continually expanded.

Respecting Human Rights Throughout the Supply Chain



For more information, please refer to pp.20~24 of our Sustainability Report.



We view respecting human rights as an important corporate responsibility in our engagement in activities around the world.

Basic Approach

In 2004, ASICS initiated factory audits of its outsourced production factories. Currently, out of the more than 200 supplier factories in more than 20 countries around the world, more than 99% of key Tier 1 supplier factories now meet ASICS sustainability standards. Since 2022, from the perspective of thoroughly purchasing responsible procurement and ensuring traceability and transparency, in addition to audits of new factories and main factories, we have endeavored to ascertain actual conditions to a greater degree of accuracy at low-risk factories that previously had a reduced focus on auditing in light of risk levels. To maintain current standards, we will focus on introducing management systems that will be useful for the autonomous CSR management of factories.

Mitigating Human Rights Risks

Our audits use 17 criteria to evaluate the status of sustainability at Tier 1 supplier factories and produce an overall rating from A to E depending on the level of the factory. ASICS has defined six of these criteria to be managed on a priority basis due to the particularly significant impact they can have on workers: forced labor, child labor, abuse and harassment, wages, discrimination and working hours. We take non-compliance in these areas seriously, and we encourage improvements and follow-up on progress according to appropriate processes and time frames. If there is a lack of progress on improvements, we issue warnings and can terminate the business relationship.

Increased Transparency

Since 2017, ASICS has disclosed and continually updated a list that covers its main Tier 1 and Tier 2 supplier factories. Starting in 2023, we digitized our supply chain management system spanning raw material procurement to product manufacturing, and have made progress introducing a new system that offers improved traceability. In addition, under Mid-Term Plan 2026 (MTP 2026) we plan to increase supply chain-related disclosures including factory data with the aim of further enhancing transparency.

We are striving to make the new system operational in 2024. This will enable us to report on various impacts based on a greater amount of data. The data will cover everything from environmental aspects, such as environmental data including the CO₂ emissions data we have already been measuring as well as the use of recycled materials, to social aspects such as human rights risks and labor issues.

TOPICS

Action on human rights risks at supplier factories

In 2023, ASICS signed the Commitment to Responsible Recruitment advocated by the American Apparel & Footwear Association (AAFA) and the Fair Labor Association (FLA). The commitment summarizes proactive industry initiatives to address potential risks of forced labor affecting migrant workers in the global supply chain.

The monitoring process for forced labor risks confirms that migrant workers are not being required to pay agent or recruitment fees. In the audits and assessments*¹ conducted in 2022 and 2023, ASICS did not find any cases of forced labor in its supply chain.

However, according to an assessment conducted by ILO Better Work*² over this period, a case related to the employment of temporary labor was confirmed at a supplier factory in Vietnam. The conduct that was discovered violated Vietnam's labor laws, and Better Work Vietnam, ASICS' procurement division and the supplier worked together to engage in wide-ranging dialogue and provide training to the factory manager. As a result, we were able to improve the situation by terminating the employment relationship with the temporary staffing agency and ensuring that workers were employed directly by the factory.

Reducing potential forced labor risks for migrant workers in the global supply chain is something that is difficult for a single company to achieve alone, and we believe it is important for the industry to come together and tackle the issue collectively.



*¹ Including internal reviews, third-party audits and assessments conducted by partner organizations

*² A partnership program by the International Labor Organization (ILO) and the International Finance Corporation (IFC), a member of the World Bank Group

Planet



Materiality
Climate Action



Materiality
Circularity



Materiality
Biodiversity and Water Management

For more information, please refer to pp.29-40 of our Sustainability Report.



Sports are closely related to climate change. To achieve a sound mind in a sound body, we need a sound earth to run on. To achieve a sound earth, ASICS regards climate action as high priority topic.

Climate Action

We are working to transform our entire value chain into a circular business model with the aim of achieving net-zero greenhouse gas emissions by 2050.

ASICS' business is supported by a global supply chain that includes outsourced production factories, and collaboration with each partner is essential. For our main suppliers, we have rolled out the Green Procurement Policy requiring the implementation of renewable energy and the establishment of emissions goals to limit global warming to 1.5°C. As of the end of 2023, 80% of strategic Tier 1 supplier factories for footwear had established and disclosed targets, and 90% of factories had developed and are gradually implementing renewable energy procurement plans. We understand and support their current status and challenges through ongoing dialogue, and we are working with our suppliers to transition to a circular business model across the entire value chain.

Biodiversity

ASICS recognizes the importance of biodiversity and the impact that the apparel and footwear industries have on it. We work to develop products that reduce the dependence on natural capital. These efforts include adopting recycled materials, dyeing technologies that use less water, and recycled paper.

We will continue to monitor the impact that we have on ecosystems and natural capital, and aim to build a natural leather supply chain involving zero forest destruction by 2030 in collaboration with the Leather Working Group*, of which ASICS is a member.

* An international NPO promoting sustainable leather manufacturing techniques.

TOPICS

1 Release of GEL-LYTE III CM 1.95, the lightest CO₂ emissions sneaker on the market*

In 2022, we developed the GEL-LYTE III CM 1.95, the lightest CO₂ emissions sneaker on the market, which emits just 1.95 kg CO₂e throughout its product life cycle. In 2023, it went into mass production and hit the market.

Sixteen reduction measures have been implemented throughout the value chain, including the use of renewable energy in the manufacturing process, a vast reduction in the number of parts and the development of carbon-negative foam using materials derived from sugarcane. Particularly for the carbon-negative foam used in the midsole and insole, we worked with material manufacturers to combine multiple bio-based materials to make the foam softer, prioritizing both sustainability and quality. We believe that not compromising on sustainability and quality will lead to innovation.

* Based on available industry data for life cycle CO₂e emissions as of September 2023.



2 Carbon footprint labeling of products

In 2023, we started showing the carbon footprint of our GEL-KAYANO 20 shoes. A carbon footprint is the total amount of greenhouse gases generated over a product's life cycle. Using calculation methodologies that have received third-party certification, we calculate figures by aggregating hundreds of data points and disclose the methods used for calculation. The introduction of carbon footprint labeling will allow us to improve transparency, gain deeper knowledge into CO₂ emission reductions and take action on climate change together with consumers.



3 Climate action with consumers: Run for Reforestation Challenge

As part of our action on climate change, we have implemented the Run for Reforestation Challenge globally. Under the program, we plant a tree for every 5 km consumers run or walk using the ASICS Runkeeper fitness tracking app. 50,253 people completed 5 km runs or walks, and as a result 50,253 trees have been planted through our partner, international NGO One Tree Planted. Major planting locations were in Indonesia, where many of our shoe supplier factories are located, as well as in other ASICS Group locations including California in the United States, Mexico, Brazil and Romania. Taking action on climate change together with consumers will lead to better consumer experiences and enhance engagement with the brand.

Information Disclosure Based on the TCFD Recommendations



Scenario Analysis

ASICS is the world's first sporting goods manufacturer to support the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD), and we are actively promoting the disclosure of information based on the TCFD recommendations. We have identified risks and opportunities based on scenario analysis and have analyzed their impacts and response measures. This is then reflected in our business strategy.

	Risk	Business Impacts	Financial Impacts*/Year	Response Measures
Transition Risks	Fluctuations in raw material prices	Rise in procurement costs for petroleum-derived materials	4.3 billion yen (2050, 4°C)	- Establish targets and road maps for materials with controlled financial impact - Strengthen partnerships with suppliers
	Introduction of product labeling regulations	Increase in system implementation and personnel expenses in response to regulations	1.3 billion yen	- Understand regulations early and secure the necessary resources - Employ carbon footprint labeling of products
Physical Risks	Reduction in time for sports through rising temperatures	Decrease in sales as frequency of product replacement decreases through reduction in sports opportunities (time)	2.4 billion yen (2050, 4°C)	- Expand products that can adapt to rising temperatures - Roll out of adaptable services even if there is a reduction in opportunities for playing sports outside
	Supply chain shutdown through intensified typhoons and floods	Loss of sales opportunities due to a shutdown from flooding of outsourced manufacturing plants	0.7 billion yen	Develop a sourcing strategy that recognizes outsourced manufacturing plants in regions with a high risk of natural disasters

* Calculated based on FY2022 data

	Details
Opportunities	Expand the consumer base Increasing engagement of new consumer segments through active climate initiatives
	Create innovation through the development and expansion of decarbonized products and services - Creating innovation through the pursuit of sustainability and functionality - Developing products and materials with low CO₂ emissions - Identifying and formulating value creation (new business domains) with low CO₂ emissions
	Roll out of products and services that respond to rising temperatures Applying knowledge of ergonomic research and digitalization and offering solutions to allow sports to be enjoyed in comfort in any environment
	Utilize sustainable finance Implementing efficient fundraising through actively utilizing green bonds etc. by increasing the performance and transparency of corporate sustainability



05

Foundations of Value Creation

Corporate Governance



Outside Director's Talk with Investors and Analysts

Advancing to the next global stage with OneASICS management

In April 2024, Mizuho Securities analyst Toshio Takahashi and four representatives from different domestic institutional investors sat down for a talk with Outside Director Mitsuru Murai. CFO Koji Hayashi also joined the discussion.

ASICS as seen from the viewpoint of an outside director

Takahashi First, could you tell us what led to your taking the position of outside director, director and how you have been able to access ASICS' internal information since starting the position.

Murai I took on the position because I was motivated to give back to sports, and I was appointed in March of last year. Since then, each month I've attended the Board Meeting held at the Head Quarter in Kobe. Before each meeting, I receive a briefing that lasts an hour or more, and since I was appointed I've had interviews with all the senior general managers. I also got a tour of the Institute of Sports Science and have visited several trade shows. Moreover, I carry out my own unannounced inspections of stores. Particularly after the Board Meetings in Kobe there are opportunities to deepen exchanges with other outside officers and junior employees, and I have been able to gain all the information I want to ask about or learn through these opportunities. I have experienced no limitations whatsoever in terms of my freedom to access information.

Investor A It's reassuring to hear that you have had interactions with other outside directors. You currently serve concurrently as an outside director for three companies. How do you balance your efforts, and what is your mindset in taking on these roles?

Murai I think concurrent roles at three companies is the limit. An outside director role involves attending monthly Board Meetings, receiving advance briefings before them, and attending Nomination and Compensation Committee meetings of comparable importance and providing advance input ahead of them. Combined with facility tours and interviews, it takes up a lot of time, and in the case of ASICS, where I can access as much information as I want, it's also important to sort out which information to obtain.

Takahashi What do you see as ASICS' strengths and the challenges it faces?

Murai What I see as a major strength is how the Sound Mind, Sound Body philosophy has permeated every business, and how ASICS is a visionary company that is able to develop initiatives leveraging that philosophy as a basis. At the Board Meeting held in December last year, I saw how ASICS' Sound Mind, Sound Body strategies lined up with a high degree of completion across all categories and regions, and I pointed out how it resembled a planetarium. In a planetarium, it's difficult to perceive the distances between stars, and similarly with ASICS, I noted that it is difficult to see the importance and time frame of different elements in terms of what area will be focused on next and what aspects will be affected. ASICS has a system where observations and questions from outside officers at Board Meetings are always considered and discussed internally, with proper feedback provided at the following month's meeting. My case was no exception, and there was strong

and perfectly formulated feedback to my observation provided the following month in January this year. The end point of the Sound Mind, Sound Body philosophy is to reach individuals directly. In the context of product sales, that means expanding the direct-to-consumer sales ratio, and with regard to capital policy it means moving more in the direction of individual shareholders. It was explained to me that OneASICS Management, which places OneASICS in the center of management efforts, was the path to achieving this. I got the sense that while ASICS is visionary, the words it uses exist in a material sense; the things I initially thought of as weaknesses ended up feeling like significant strengths when the perspective and priorities were laid out. I also shared my observations regarding Japanese businesses and sustainability initiatives, and they were also properly addressed the following month.

Investor A What is your impression of financial discipline at ASICS?

Murai In the past, ASICS has experienced painful business withdrawals, so I feel that ASICS is very aware of financials and profitability, perhaps too much so.

Looking back on MTP 2023 and considering the future growth strategy

Investor B When Mid-Term Plan 2023 (MTP 2023) ended, we often heard from CEO Hirota or CFO Hayashi that "ASICS' management phase has changed." From your perspective

as an outside director, do you have the impression that ASICS is not letting down its guard given its positive business performance and instead bracing itself ahead of higher aspirations? In addition, could you comment as to whether there have been discussions regarding the allocation of management resources based on SWOT analyses concerning other companies in addition to ASICS?

Murai During MTP 2023, ASICS achieved record highs in every metric. The team deserves praise for the efforts it made while developing quite ambitious plans. In the next stage, as a company with a market capitalization of more than 1 trillion yen, I believe we will undoubtedly shift to another phase as it becomes clear that we need to be more visible in the global market. One of the key elements to successfully navigate through the next Mid-Term Plan will be OneASICS Management. We will scale up the OneASICS

membership base from the current 15 million to 30 million and expand the DTC sales ratio to 40% of total sales. This is not something that can be easily accomplished merely as an extension of what ASICS has done in the past. It requires changes to all customer channels and cross-regional collaboration. In the monthly reports produced for the Board Meeting each month, there is a report analyzing the competition, and the Board uses that to discuss strategy as a mirror reflecting ASICS' strengths and weaknesses. As our competitors must also be looking at ASICS and thoroughly analyzing how we ensure profitability, in that sense I feel we cannot stand still; we must drive our mission with a sense of urgency.

Takahashi Unlike structural reform phases in the past, I feel that there will be a difference in the progress and speed of measures taken in each category and region going forward. It might be difficult to fairly assess ASICS while it is in that process. What are your thoughts on this?

Murai We are currently in a rapidly shifting business environment whereby some goals could change before we can verify whether ASICS has achieved the initial goals. Under such conditions, I think a new assessment mechanism is needed, one that looks at whether ASICS is instantly and correctly setting management themes and swiftly responding rather than managing the degree to which it has achieved its targets. One of those themes will be whether ASICS can incorporate that agility into its global management. Another important factor in preventing an organization from becoming too rigid is to foster a corporate culture where people in the lower levels of the hierarchy are able to speak up when they feel something is off. Auditing is important from a compliance perspective, but instead of just top-down auditing functions that exist solely to conduct thorough audits to uncover misconduct on the premise that issues must exist, it is crucial that mechanisms enabling people to flag issues from the bottom up when they notice something amiss take root throughout the organization. At ASICS, there is a deeply ingrained management philosophy of never doing anything that you couldn't tell someone else about, and the speak-up function works well. Moreover, there are mechanisms in place to make flexible course corrections with regard to management targets, and that is something I look forward to.



Investor A What are your thoughts on M&A?

Murai ASICS has a reach that extends to regions around the world and it has little need for M&A activities to establish new bases. From a regional perspective, in the future it will be important for ASICS to strengthen its presence in regions it has already expanded to that have significant room for growth, such as India. From a product perspective, ASICS has considerable reach in the areas of running and core sports. ASICS has produced positive synergies with its past acquisitions such as race registration companies, and I think the main targets of any future acquisitions will relate to elemental technologies that lead to growth in each of its categories or regions, or areas that lead to improved engagement with customers.

Takahashi I get the impression that the acquisition of Canada-based Race Roster accelerated the speed of ASICS' DX initiatives by incorporating the venture mindset held by Race Roster management in smart ways. We look forward to seeing what acquisitions ASICS will make in the future.

President succession process

Investor C Regarding the recent changeover of the president, what could you tell us about the role played by the Nomination and Compensation Committee and what discussions took place in the lead-up to making the decision?

Murai There were seven meetings of the Nomination and Compensation Committee in 2023, and having been newly appointed I attended five of them and participated in discussions regarding succession as a Nomination and Compensation Committee member. Under the process, after discussions took place in the Nomination and Compensation Committee the matter was ultimately referred to the CEO to make a final decision. Succession is an area I used to work in as my key role, and looking back on the series of processes I have been involved with, I think the way succession works at ASICS is exceedingly fair. It's like soccer. Substitutions can be made in response to an emergency such as a player getting injured or when the coach wants to change the flow of the game. The latest change at ASICS falls precisely into the latter category, and in that case it is important to discuss what needs to be changed in the context of management. Discussions of this nature tend to involve naming a specific person and discussing their past performance and qualities, but something positive in the ASICS approach is that the starting point for the discussions is the requirements emphasized by management. In addition, we made selections from the global pool of potential successors who had been cultivated at the ASICS Academy as the talent best suited to roll out global initiatives to reach individuals through the key elements of OneASICS using digital technologies. I also conducted one-on-one interviews with each of the candidates. While we ultimately made the decision to appoint Mr. Tominaga

to the position on account of his deep understanding of technology and lack of a language barrier, I was impressed by the fairness of the entire process leading up to the announcement.

Investor D Did you provide feedback or anything else for the candidates who were not chosen to maintain their motivation?

Murai I haven't conducted any interviews since the decision was made so I am not sure, but at the very least, all the candidates have been made aware of the functional role it requires at this juncture. There is zero sense of lining people up in order. Instead, I saw mutual agreement and cooperation, and in that sense I think it was an exemplary succession process.

Developing more sophisticated governance

Investor A We investors are sensitive to overseas risks, including China. As ASICS accelerates its overseas expansion, I feel it might be good for the Board Meetings to have more outside directors with extensive management experience overseas. What are your thoughts on this?

Murai I recognize that the outside directors, which make up a majority of Board Meeting members, wield considerable influence. The current outside directors are all Japanese. I also think it is better to increase the number of people with deep insight and experience in global management beyond considerations of race or nationality, and I think this will be a theme in future Nomination and Compensation Committee meetings. Under newly appointed President Tominaga, global summits are being launched as twice-yearly opportunities for the top management of all overseas regions to gather in one place for discussions. I will be keeping a close watch on each of the global executive members and how these meetings are conducted.

Investor A If ASICS wishes to become a more global company, one effective way might be to relocate its head office to Tokyo, where it is easier to acquire talent. What is the significance of continuing to maintain the head office in Kobe?

Murai On the digital front, there is a shift mainly to the United States, and there is no reason why the headquarters must be in Kobe. I think there is even discussion whether the headquarters needs to be in Japan. I think it might be a good idea to have a decentralized network of headquarters functions.



Basic Approach

See the Corporate Governance Report for more details. 

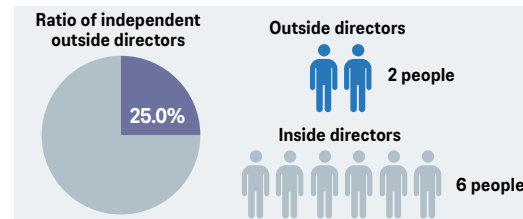
As a company with an Audit and Supervisory Committee, ASICS has clearly separated the supervision and execution aspects of management to speed up decision-making, and has worked to strengthen the supervisory functions of the Board of Directors by making a majority of Board members outside directors. The Board of Directors comprises directors possessing a broad-ranging expertise in areas including corporate management, global operations and digital technology. In addition to resolving matters as required by law, the Board makes decisions regarding key management policies of the ASICS Group and certain important matters related to business execution, and supervises the execution of business by the Executive Body.

The Executive Body deliberates over important matters concerning the management of the ASICS Group and regularly convenes Executive Board Meetings to carry out flexible decision-making. Under a new management structure adopted in January 2024, head office officers and the CEOs of all regional operating companies take part in Global Summits that serve as opportunities to thoroughly discuss management issues and the organization's future direction. Leading the pursuit of global growth, enhanced brand experience value and operational excellence while swiftly dealing with management issues and other challenges at the global level will help ASICS' transformation to a Global Integrated Enterprise. In addition, we will continue making every effort to further enhance internal control globally, ensure thorough compliance and realize ongoing two-way communication with shareholders and other stakeholders.

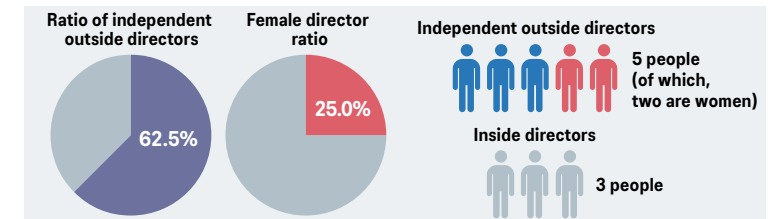
Corporate governance enhancements

	Up to 2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Separation of Management Supervision and Execution	● Introduced executive officer system (2010)								● Transitioned to a company with an Audit and Supervisory Committee (2020)				
Outside Directors	● Introduced outside director system (2011)		● Established standards for independent outside directors and independent outside corporate auditors (2014)				● Formulated policy making at least one-third of directors independent outside directors (2018)		● Formulated policy making the majority of directors independent outside directors (2020)				
Advisory Committee					● Established Nomination and Compensation Committee (2016)		● Changed to independent outside director as Chairman (2019)						
Board of Directors Management					● Launched efficacy evaluations (2016)		● Began the practice of providing feedback to comments raised by outside directors at Board of Directors meetings in the following month (2024)						
Officer Compensation	● Introduced performance-linked compensation (2008)	● Revised director compensation (2013) ● Introduced Share Remuneration-Type Share Options (2013)				● Revised the compensation system (2018)		● Introduced restricted share compensation (2019)		● Revised restricted share compensation (2024)			
Basic Policies					● Formulated Basic Policy on Corporate Governance (2016)		● Abolished takeover defense measures (2023)						

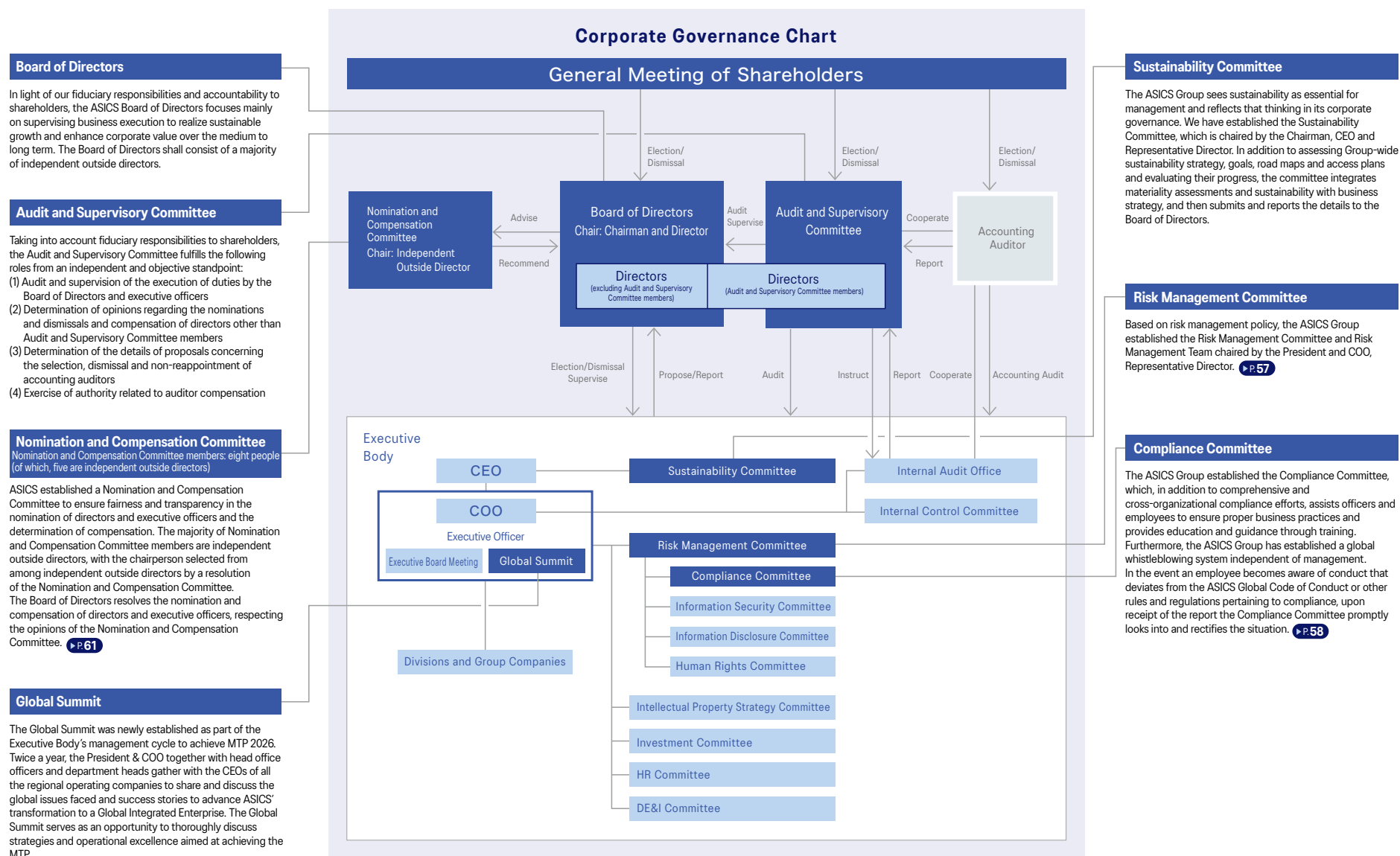
2011



2024



Corporate Governance System



Risk Management

Risk Management System

To ensure the sustainable operation of its business, the ASICS Group appropriately manages various external and internal risks related to its business activities and has built a system to effectively deal with them.

To avoid crises and minimize losses when crises occur, the Risk Management Committee identifies risks requiring responses prioritized in accordance with business strategies, determines the Division in charge and comprehensively manages risks. These activities are also reported to the Board of Directors twice annually. Risk Owners selected from each Division lead mitigation efforts pertaining to the risks in their remit and manage the progress of these efforts. The Risk Management Team works with the Internal Audit Department to monitor overall risk management and ensure its efficacy and appropriateness.

Main topics at the meeting of the Risk Management Committee in February 2024

- Divisions report on progress of risk topics
- Report from the subordinate committees of the Risk Management Committee
 - (1) Information Security Committee
 - (2) Compliance Committee
 - (3) Human Rights Committee
- Cybersecurity
- Risks associated with digital tools such as generative AI

Risk Management System



Refer to pp.30-33 of the Securities Report for details.

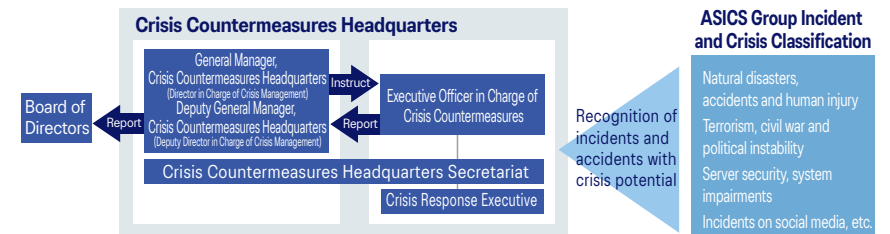


Crisis Management System

The ASICS Group appointed a Director in Charge of Crisis Management based on the Crisis Management Policy. When the Director in Charge of Crisis Management becomes aware of a potential or actual crisis, a report is promptly submitted to the Chairman and President via methods and channels stipulated in the aforementioned Rules, which also call for the establishment of a Crisis Response Headquarters in response to the severity of the crisis. Furthermore, the Director in Charge of Crisis Management determines crisis countermeasure policies and communications strategies, oversees external negotiations and disclosure, and directs the implementation of countermeasures and improvement efforts.

For example, due to the issue of repeated attacks by armed extremist groups on vessels navigating the Red Sea and Suez Canal, there were increased risks of disruptions to maritime transportation networks and rising maritime transportation costs. In response, we set up a Crisis Response Headquarters early on and adopted measures on transportation costs, alternative means of transportation, production and so on. This enabled us to swiftly initiate improvement measures.

Crisis Management System



Responding to Major Risks

Due to the rapid spread of digital tools such as AI, the associated risks have also increased. In 2023, we began to explore and implement measures to deal with risks associated with cybersecurity and digital tools such as AI in particular. At the Risk Management Committee meeting held in February 2024, the status of our action was brought up as a major topic. We have also brought in outside experts to deliver talks on the risks associated with digital tools such as generative AI as part of activities to increase our risk sensitivity.

Compliance

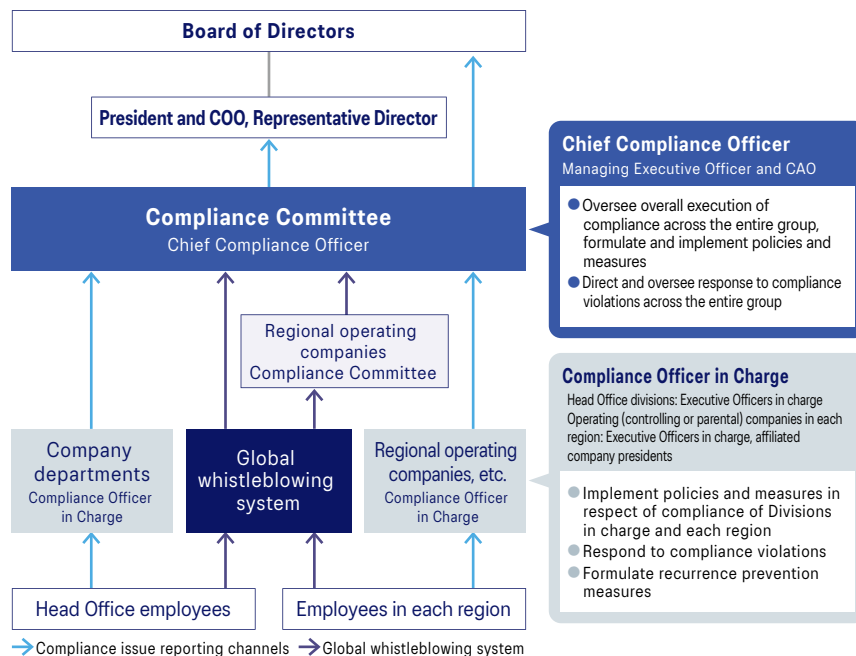
Global Compliance System

ASICS has established the Compliance Committee and appointed a Compliance Officer in Charge to practice compliance management. The President and COO, Representative Director serves as Chief Compliance Management Officer. In the event an employee or other individual becomes aware of a compliance issue or suspects that a compliance issue has occurred, a report is submitted to the Compliance Officer in Charge following the Reporting Line.

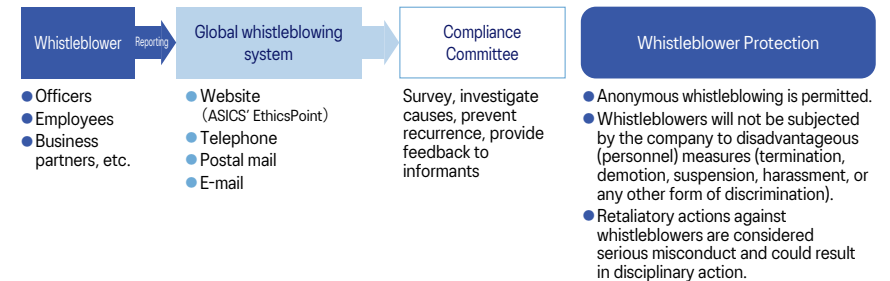
Depending on its severity, the compliance issue will be reported to the Chief Compliance Officer or the President and Board of Directors.

In addition to the reporting routes described above, we have put in place a system that enables reports to be submitted through the global whistleblowing system.

Compliance structure



Global whistleblowing system

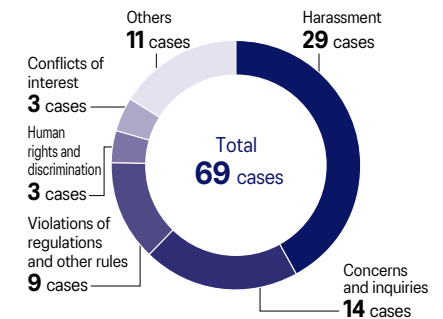


Number of cases reported to the global whistleblowing system or the Compliance Committee

2019	61 cases
2020	45 cases
2021	35 cases
2022	49 cases
2023	69 cases

* From 2023, the figures include cases reported outside the global whistleblowing system.

Breakdown of notifications and reports (2023)



When a notification or report is received about conduct or potential conduct that violates the ASICS Global Code of Conduct, employment regulations, laws, regulations or other requirements, the Compliance Committee takes a leading role in conducting a fact-finding investigation. When a compliance violation is discovered as a result of an investigation, the Compliance Officer in Charge plays a central role in the response, including corrective action and measures to prevent repeat any recurrence. In 2023, there were 69 whistleblowing reports received, an increase of 20 from the previous year. It is believed that the increase was mainly due to more potential issues being reported as a result of stepped-up compliance activities. Each year, we also conduct a range of training sessions on harassment and compliance for officers and employees to eliminate compliance violations. In FY2023, we conducted training on harassment and data privacy globally.

Director Specializations and Experience

The ASICS Group has established VISION 2030, creating a world in which we can all live healthy lives both mentally and physically, maintaining involvement with exercise and sports over our entire lifetime. Mid-Term Plan 2026 (MTP 2026) was formulated as the key three-year plan to ensure we achieve that vision. In MTP 2026, we aim to achieve global sustainable growth and improve corporate value while responding to the rapidly changing and increasingly diverse social environment through a global × digital approach. To accomplish this, it is important that directors not only handle management decision-making and oversight but also demonstrate wide-ranging expertise, experience and diversity. On the diversity front, we acknowledge that there is still room for improvement. We will continue to actively promote the hiring of diverse talent to ensure better management decision-making and business execution.

Director and executive officers with roles skill matrix

Position	Name	Corporate management	International affairs	Digital	Financial and accounting	Legal	Sports business
Chairman and CEO, Representative Director	Yasuhito Hirota	●	●		●		●
President and COO, Representative Director	Mitsuyuki Tominaga	●	●	●	●		●
Outside Director	Kazuo Sumi	●					
Outside Director	Mitsuru Murai	●	●				●
Outside Director	Miwa Suto		●	●	●		●
Full-time Audit and Supervisory Committee Member	Manabu Kuramoto		●				●
Outside Director (Audit and Supervisory Committee Member)	Yasushi Yokoi				●		
Outside Director (Audit and Supervisory Committee Member)	Mariko Eto					●	

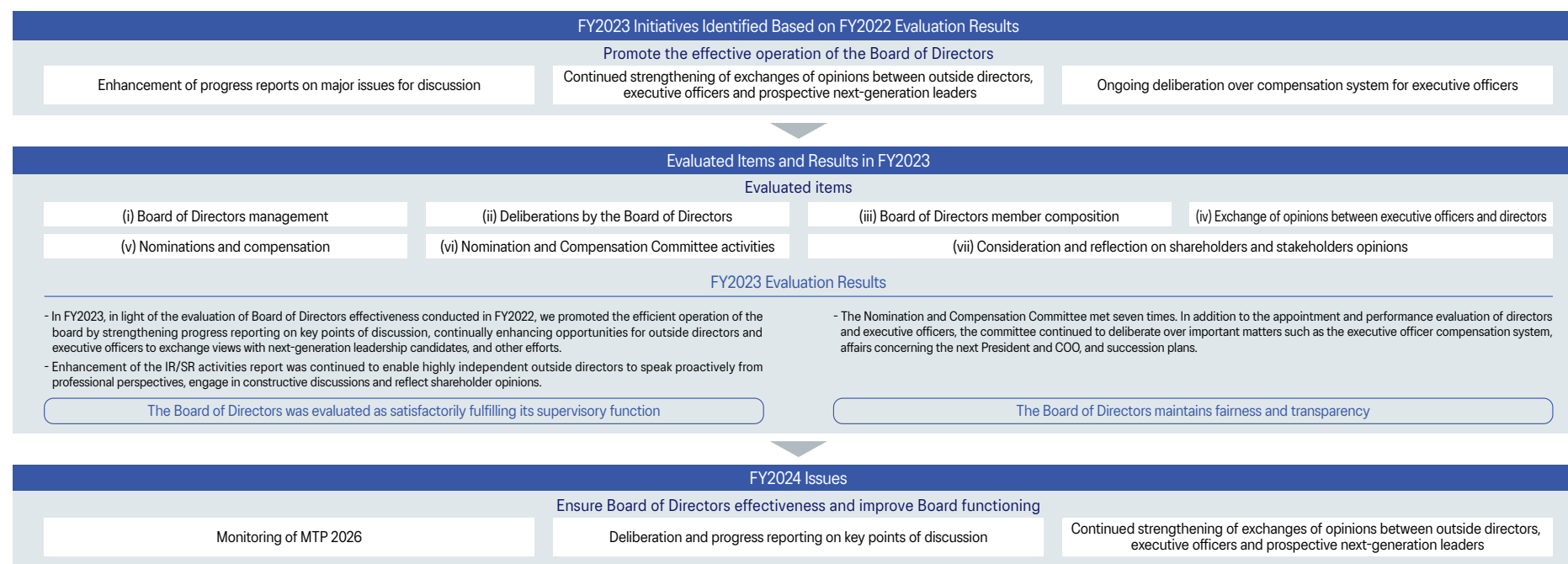
Position	Name	Products	Marketing and sales	Digital	Financial and accounting	Legal	Human resources development
Chairman and CEO, Representative Director	Yasuhito Hirota	●	●		●		●
President and COO, Representative Director	Mitsuyuki Tominaga		●	●	●		
Executive Vice President	Shinji Senda	●					
Executive Vice President	Ryoji Shoda	●	●	●			
Managing Executive Officer	Tsuyoshi Nishiwaki	●					
Managing Executive Officer	Koichiro Kodama		●				
Managing Executive Officer	Tomoko Koda		●	●			
Managing Executive Officer	Norio Takaoka	●					
Managing Executive Officer	Koji Hayashi				●		
Managing Executive Officer	Takeshi Horikomi					●	●
Executive Officer	Kenichi Harano	●					
Executive Officer	Junji Kobayashi		●				
Executive Officer	Akihiko Sadaka			●			●
Executive Officer	Yotaro Taguchi	●	●				
Executive Officer	Carsten Unbehaun		●	●			
Executive Officer	Go Suzuki	●	●				
Executive Officer	Shinji Matsuda	●					
Executive Officer	Hirofumi Ohshima			●			
Executive Officer	Eriko Izumi					●	
Executive Officer	Masashi Abe	●	●				
Executive Officer	Mark Brunton		●				

Reasons for including each area of specialization and experience in the skill matrix

Area of specializations and experience	Reason for selection
Corporate management	To make strategic decisions to achieve MTP 2026 and VISION 2030, manage the organization and realize sustainable growth, we believe it is important to have comprehensive knowledge of corporate management.
International affairs	Overseas sales account for approximately 80% of ASICS' total sales, and we operate our business at a global scale. Moreover, based on our policy of transformation to a Global Integrated Enterprise laid out in MTP 2026, we recognize that having an international perspective is essential. Note that having an international perspective is something that is necessary for all our executive officers, which is why it is not included among the items of the skill matrix.
Marketing and sales	In MTP 2026, which aims to create a world in which we can all live healthy lives both mentally and physically, maintaining involvement with exercise and sports over our entire lifetime. We will strive to enhance brand experience value by making OneASICS a starting point for all our efforts. We will increase direct points of contact with customers and deepen connections while rolling out products and services with high added value. We believe that knowledge in this area is essential for these strategies.
Digital	In promoting our global × digital approach for a transformation to a Global Integrated Enterprise, we regard knowledge of digital technology as essential. In addition to strengthening the platform for runners through the development of a running ecosystem and linking data to produce personalized customer communication, we are accelerating the utilization of digital technologies internally and externally to realize operational excellence, including the use of mission-critical data and the latest technologies.
Financial and accounting	We recognize that it is important to reflect the requests and expectations of capital markets in our medium- and long-term growth strategies and financial policies through dialogue with investors focused on improvements to shareholder value and the trends of capital market reforms in Japan. We will also support our transformation to a Global Integrated Enterprise through the formulation and execution of financial strategies that balance capital efficiency with financial soundness based on accurate financial reporting.
Legal	To earn trust in the global market and develop a sustainable business model, we believe it is important to practice global compliance-oriented management that observes ethics, laws, regulations, the ASICS Group's principles and policies, and a host of other requirements. We also believe that knowledge and skills related to laws, regulations and other frameworks are essential in implementing this compliance-oriented management and utilizing it in management strategies.
Sports business	ASICS has laid out a vision of "Create Quality Lifestyle through Intelligent Sport Technology." We recognize that key elements to achieving this include identifying sports industry trends and athlete needs, and then linking that insight to the development of products, services and their respective markets.
Products	Knowledge of product development, technology, design and quality control are the foundations for bringing products that meet customer expectations to the market. We regard product knowledge as essential to raising the competitiveness of ASICS' products and enhancing brand loyalty.
Human resource development	Human resource development is an essential element of efforts to realize MTP 2026 and VISION 2030, and to ensure sustainable growth into the future. We aim to establish an environment where talented individuals with diverse backgrounds can fully utilize their abilities, and have particularly focused on the realization of Sound Mind, Sound Body by employees, the utilization of human resources globally and dynamically and the promotion of DEI.

Evaluating the Effectiveness of the Board of Directors and the Topics of Discussion at Board of Directors Meetings

To further improve the effectiveness and functioning of the Board of Directors, ASICS provides directors with surveys (self-evaluations) to analyze and evaluate the effectiveness of the Board of Directors. Survey results are reported to the Board of Directors for in-depth discussion as points for improvement in the upcoming fiscal year, forming a PDCA cycle.



Specific matters considered at Board of Directors' meetings

Items	Major Matters
Management strategy	FY2023 management plan, business portfolio management (new businesses, business withdrawals), MTP 2026, etc.
Digital strategy	DTC omnichannel strategy based on OneASICS membership program, measures to build and enhance the running ecosystem, IT strategy
Sustainability strategy	Climate change, human rights in the supply chain, initiatives regarding transparency, etc.
Innovation strategy	Product innovation in each category, intellectual property strategy, etc.
Financial results and finance-related matters	Quarterly financial results, dividend policy, basic financing policy, bond issuance, etc.
Personnel related	Organizational structure, employee engagement, etc.
Governance related	Corporate governance structure, risk management, abolition of takeover defense measures

Officer Compensation

Basic Policy on the Compensation, etc., of Executive Directors and Executive Officers

To establish a compensation system that incentivizes sustainable growth and enhanced corporate value, the Board of Directors discusses the details of individual compensation under a basic policy of fairness and transparency in resolutions respecting the opinions of the Nomination and Compensation Committee.

Compensation comprises basic compensation, performance-linked bonuses and restricted share compensation, with the overall level of compensation set appropriately with consideration for market standards. The proportion of performance-linked bonuses and restricted share compensation increases with higher degrees of contribution to performance in accordance with role and responsibilities. Compensation details are as follows.

Compensation System for Executive Directors and Executive Officers

	Basic Compensation	Performance-Linked Bonuses	Restricted Share Compensation
Chairman and CEO	56%	22%	22%
President and COO	41%	35%	24%
Executive Vice President	45%	33%	22%
Managing Executive Officer	49%	32%	19%
Executive Officer	59%	26%	15%

Basic compensation (single year)

Basic compensation shall be determined by the Board of Directors based on the range of compensation amounts set according to grades, considering the market standard and inflation rate.

Performance-linked bonus (single year)

- Short-term incentives to improve corporate value.
- To be paid based on individual performance indicators (operating income ratio and sales) and the achievement rate of individual targets.
- In addition to the performance-linked bonuses mentioned above, if the Company achieves the standards set by the Board of Directors (consolidated net profit after tax that exceeds the target cost of capital and consolidated operating profit that exceeds the previous year), a profit-sharing type of bonus will be paid in which a portion of the profits will be returned to the Directors.

Note: Not paid if the achievement rate of individual targets falls below a certain standard

Restricted share compensation (medium to long term)

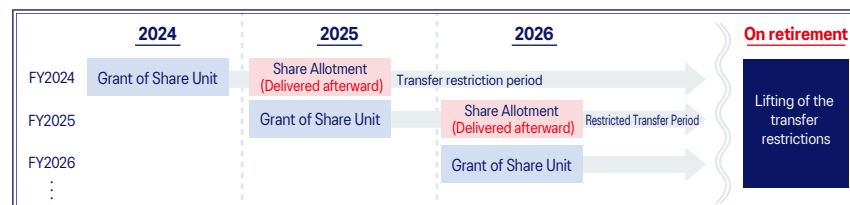
- Medium- to long-term incentives to improve willingness to contribute to the growth of the Company and improvement in corporate value.
- To be paid according to the achievement rate of targets for performance (operating income ratio sales and ROA).
- Allotment of a number of shares in proportion to the degree of achievement in performance targets, with the Restricted Transfer Period until the retirement of the Director.

Note: If the achievement rate of targets falls below a certain standard, shares will not be allotted.

Revision of Restricted Stock Compensation Program

Review the current Transfer-Restricted Share Compensation Plan as follows in order to share the profits with the shareholders and to further enhance the purpose of the plan as an incentive for the Company's Directors for the Company's sustainable growth and improvement of corporate value.

(New Program) Performance-Linked Transfer-Restricted Share Units



Nomination and Compensation Committee Composition and Activities Status

The majority of our Nomination and Compensation Committee members are independent outside directors, with the chairperson selected from among independent outside directors by a resolution of the Nomination and Compensation Committee.

In 2023, the Nomination and Compensation Committee conducted multiple interfaces with candidates for president, and after thoroughly considering candidate suitability, nominated the next President and COO.

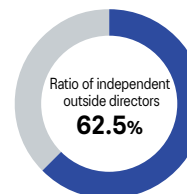
Member composition

Independent outside directors 5 people

Miwa Suto (Chairperson) Yasushi Yokoi
Kazuo Sumi Mariko Eto
Mitsuru Murai

Inside directors 3 people

Chairman and CEO, Representative Director Yasuhito Hirota
President and COO, Representative Director Mitsuyuki Tominaga
Director (Full-time Audit and Supervisory Committee Member) Manabu Kuramoto



2023 activities status

- Meetings: 7 times
- Major deliberation themes
 - Deliberations concerning nomination of the next President and COO
 - Director and executive officer FY2022 performance evaluations and performance-linked bonuses
 - Director and executive officer FY2023 targets
 - Director and executive officer candidate nominations
 - Review of the compensation system for directors and executive officers
 - Succession plan review

Directors and Executive Officers (as of April 1, 2024)

Directors



Yasuhiro Hirota
Chairman and CEO,
Representative Director

Number of the Company's
shares owned

84,579 shares

Board of Directors
meeting attendance

14/14(100%)

April 1980 Joined Mitsubishi Corporation
April 2010 Senior Vice President, General Manager of Corporate Administration Department
April 2011 Senior Vice President, Senior Assistant to Corporate Functional Officer, General Manager of Corporate Administration Department
April 2014 Executive Vice President, Corporate Functional Officer (Corporate Communications, Corporate Administration, CSR & Environmental Affairs, Legal, Human Resources)
June 2014 Representative Director, Member of the Board, Executive Vice President, Corporate Functional Officer (Corporate Communications, Corporate Administration, CSR & Environmental Affairs, Legal, Human Resources)
April 2016 Representative Director, Member of the Board, Executive Vice President, Corporate Functional Officer (Corporate Communications, Corporate Administration, CSR & Environmental Affairs, Legal, Human Resources), Chief Compliance Officer
April 2017 Representative Director, Member of the Board, Executive Vice President, Corporate Functional Officer, Geography Strategy for Japan, General Manager of Kansai Branch (Retired in January 2018)
January 2018 Advisor of the Company
March 2018 President and COO, Representative Director
March 2022 President, CEO and COO, Representative Director
January 2024 Chairman and CEO, Representative Director (present)



Mitsuyuki Tominaga
President and COO,
Representative Director

Number of the Company's
shares owned

33,145 shares

September 1987 Joined Andersen Consulting (currently Accenture), New York Office
January 1996 Joined IBM Japan, Ltd.
July 2007 Corporate Strategy Director, International Business Machines Corporation
January 2009 Vice President / Executive Officer, IBM Japan, Ltd.
April 2013 SAP Japan Co., Ltd., Vice President, Head of Services, Managing Executive Director, Works Applications America, Inc.
July 2016 President and Representative Director, Works Applications America, Inc.
June 2018 Executive Officer, Senior General Manager, IT Division of the Company
January 2020 Managing Executive Officer, Senior General Manager, IT Division, Digital Promotion (CDO)
January 2021 Managing Executive Officer, Senior General Manager, IT Division (for Digital function management: CDO), and CEO, ASICS Digital Inc.
January 2023 Managing Executive Officer, Senior General Manager, Digital Division, CDO and CIO
January 2024 President and COO
March 2024 President and COO, Representative Director (present)



Kazuo Sumi
Outside Director

Number of the Company's
shares owned

9,694 shares

Board of Directors
meeting attendance

11/14 (78.6%)

April 1973 Joined Hankyu Corporation
June 2000 Director, General Manager of Railway Business Division
April 2002 Director, General Manager of Railway Business Division and General Manager of Control Division
June 2002 Managing Director, in charge of Railway Business Division and Control Division
June 2003 President and Representative Director
April 2005 President and Representative Director of Hankyu Holdings, Inc.
October 2006 President and Representative Director of Hankyu Hanshin Holdings, Inc.
October 2007 Director of H2O RETAILING CORPORATION (present)
March 2014 Chairman and Representative Director of Hankyu Corporation
June 2017 Chairman and Representative Director, Group CEO of Hankyu Hanshin Holdings, Inc. (present)
March 2018 Outside Director of the Company (present)
May 2019 Director of TOHO CO., LTD. (present)
April 2020 Director of TOKYO RAKUTENCHI Co., Ltd. (present)
April 2023 Chairman of Hankyu Corporation (present)

Important concurrent positions outside the Company

Chairman and Representative Director, Group CEO of Hankyu Hanshin Holdings, Inc.
Director of H2O RETAILING CORPORATION
Director of TOHO CO., LTD.
Director of TOKYO RAKUTENCHI Co., Ltd.



Mitsuru Murai
Outside Director

Number of the Company's
shares owned

188 shares

Board of Directors
meeting attendance

10/10 (100%)

April 1983 Joined Japan Recruit Center Co., Ltd. (currently Recruit Holdings Co., Ltd.)
April 2000 Executive Director in charge of Human Resources (Retired in September 2012)
March 2004 President and Representative Director, Recruit Abic Co., Ltd. (currently Recruit Co., Ltd.) (Retired in April 2011)
July 2008 Director (part-time) of Japan Professional Football League (J. LEAGUE)
April 2011 Executive Officer in charge of Asia of Recruit Co., Ltd. (Retired in September 2012) and President and Director of RGF Hong Kong Limited
April 2013 Chairman of RGF Hong Kong Limited (Retired in October 2013)
January 2014 Chairman of Japan Professional Football League (Retired in March 2022)
March 2022 Honorary Member of Japan Professional Football League (present)
March 2022 Adviser of Japan Football Association (present)
April 2022 Representative Director and CEO of ONGAESHI Holdings Co., Ltd. (present)
June 2022 Outside Director of PIA Corporation (present)
June 2022 Board Director (Audit & Supervisory Committee Member) of WOWOW Inc. (present)
March 2023 Outside Director of the Company (present)
June 2023 Chairman of Nippon Badminton Association (present)

Important concurrent positions outside the Company

Outside Director of PIA Corporation
Board Director (Audit & Supervisory Committee Member) of WOWOW Inc.
Chairman of Nippon Badminton Association



Miwa Suto
Outside Director

Number of the Company's
shares owned

781 shares

* Ms. Miwa Suto's attendance, as Outside Director (Audit and Supervisory Committee Member), at Board of Directors meetings was 100% (14/14 times).

April 1988 Joined Hakuodo Inc. (Retired in April 1990)
October 1991 Joined Arthur Andersen (currently KPMG AZSA LLC) (Retired in August 1996)
April 1995 Registered as certified public accountant
October 1996 Joined Schroder PTV Partners KK (currently MKS Partners Limited) (Retired in October 1997)
November 1997 Joined Bain & Company
January 2001 Partner of Bain & Company (Retired in March 2006)
April 2006 Established Planet Plan Co., Ltd., Representative Director (present)
May 2012 Outside Director of ZIGEX Co., Ltd. (Retired in June 2021)
June 2016 Outside Director (Audit and Supervisory Committee Member) of A.D. Works Co., Ltd. (Retired in June 2020)
March 2018 Outside Audit & Supervisory Board Member of the Company (Retired in March 2020)
April 2019 Project Professor, Graduate School of Media and Governance of Keio University (present)
March 2020 Outside Director (Audit and Supervisory Committee Member) of the Company (Retired in March 2024)
June 2021 Outside Director of KATITAS Co., Ltd. (present)
June 2021 Executive Board Member of Japanese Olympic Committee (present)
March 2023 Outside Director of KOSÉ Corporation (present)
June 2023 Outside Director of KANDENKO CO., LTD. (present)
June 2023 Senior Vice President of Japan Volleyball Association (present)
March 2024 Outside Director of the Company (present)
March 2024 Member of Executive Committee of Japan Football Association (present)

Important concurrent positions outside the Company

Representative Director of Planet Plan Co., Ltd.
Senior Vice President of Japan Volleyball Association
Outside Director, KATITAS Co., Ltd.
Executive Board Member of Japanese Olympic Committee
Outside Director of KOSÉ Corporation
Outside Director of KANDENKO CO., LTD.



Manabu Kuramoto
Director
(Audit and Supervisory Committee Members)

Number of the Company's
shares owned

24,760 shares

April 1987 Joined the Company
March 2002 Assistant manager of China Office, Taiwan Branch, Athletic Shoes Business Division, Footwear Sales Department of the Company
April 2009 General Manager of Athletic Development, Global Footwear Division of the Company
April 2011 General Manager of Athletic Development, Footwear Division of the Company
April 2013 General Manager of Cost and Material Department, Global Footwear Division of the Company
January 2015 Deputy Senior General Manager (in charge of Business Strategies), Global Footwear Division of the Company
October 2016 Deputy Senior General Manager (in charge of Business Operation), Global Footwear Development & Production Division of the Company
January 2017 Senior General Manager, Global Footwear Production Division of the Company
January 2018 Executive Officer, Senior General Manager, Core Performance Sports Footwear Division of the Company
January 2024 Adviser of the Company
March 2024 Director (Full-time Audit and Supervisory Committee Member) of the Company (present)

Directors and Executive Officers (as of April 1, 2024)

Directors



Yasushi Yokoi

Outside Director
(Audit and Supervisory
Committee Members)

Number of the Company's
shares owned

2,810 shares

Board of Directors
meeting attendance

14/14(100%)

Audit and Supervisory Committee
meeting attendance

18/18 (100%)

November 1978 Joined Shinwa Audit Corporation (currently KPMG AZSA LLC)
March 1982 Registered as certified public accountant
May 2001 Representative Partner, Asahi & Co. (currently KPMG AZSA LLC)
July 2005 Director of Kansai Area Office of KPMG AZSA & Co. (currently KPMG AZSA LLC)
July 2007 Director of National Public Sector of KPMG AZSA & Co.
July 2008 Board Member of KPMG AZSA & Co.
July 2010 Board Member of General Manager of Osaka 2nd Business Division, KPMG AZSA LLC
July 2012 Senior Executive Board Member in charge of Diversity and General Manager of Nagoya Office, KPMG AZSA LLC
July 2017 Senior Executive Board Member, Head of Diversity and Head of Tokai Area, KPMG AZSA LLC (Retired in June 2019)
July 2019 Established Yasushi Yokoi Certified Public Accountant Office (present)
March 2020 Outside Director (Audit and Supervisory Committee Member) of the Company (present)
June 2021 External Auditor of Iwatani Corporation (present)

Important concurrent positions outside the Company
Certified Public Accountant (Yasushi Yokoi Certified Public Accountant Office)
External Auditor of Iwatani Corporation



Mariko Eto

Outside Director
(Audit and Supervisory
Committee Members)

Number of the Company's
shares owned

0 shares

April 1994 Joined MITSUI & Co., LTD.
April 2002 Joined the Legal Training and Research Institute of the Supreme Court
October 2003 Joined New Tokyo International Law Office (later merged with Bingham Sakai Mimura Aizawa Law Office (Foreign Law Joint Enterprise))
April 2015 Joined TMI Associates
January 2017 Partner of TMI Associates (present)
June 2020 Outside Auditor, Starzen Co., Ltd.
June 2022 Outside Director, Starzen Co., Ltd. (present)
June 2023 Outside Director, Nitto Denko Corporation (present)
March 2024 Director (Audit and Supervisory Committee Member) of the Company (present)

Important concurrent positions outside the Company
Attorney at Law (TMI Associates)
Outside Director, Starzen Co., Ltd.
Outside Director, Nitto Denko Corporation

Executive Officers

Yasuhito Hirota

Chairman and CEO, Representative
Director

Mitsuyuki Tominaga

President and COO, Representative
Director

Shinji Senda

Vice President, Executive Officer
In charge: Special Assignments by President,
Crisis Management,
Investment Committee,
HR Committee,
UNOHA STUDIO,
ASICS Trading,
NISHI Athletic Goods,
Sanin ASICS

Ryoji Shoda

Vice President, Executive Officer
Head of Onitsuka Tiger Company
In charge: Onitsuka Tiger Company

Tsuyoshi Nishiwaki

Managing Executive Officer
Senior Managing Director, China Division
In charge: China Division

Koichiro Kodama

Managing Executive Officer
President & CEO, ASICS America

Tomoko Koda

Managing Executive Officer
Senior General Manager, Marketing Division
In charge: Marketing, Sports Marketing,
Public Relations

Norio Takaoka

Managing Executive Officer
In charge: Performance Running Footwear,
Core Performance Sports Footwear,
Sportstyle,
Apparel and Equipment,
Institute of Sport Science,
Footwear Production,
Kids Products,
Circular Economy Promotion

Koji Hayashi

Managing Executive Officer and CFO
(In charge of Business Planning)
In charge: Accounting, Finance,
Supply Chain Transformation

Takeshi Horikomi

Managing Executive Officer and CAO
(In charge of Crisis Management)
In charge: Human Resources,
General Affairs, Legal,
Intellectual Property,
Sustainability, Safety and Quality Assurance,
Corporate Executive Office

Kenichi Harano

Executive Officer
Senior General Manager, Institute of Sport
Science

Junji Kobayashi

Executive Officer
President and Representative Director of ASICS Trading
Senior General Manager, Walking Division

Akihiko Sadaka

Managing Executive Officer and CDO
In charge: Digital,
DTC, Business Development
(R-bies, ASICS Ventures, ASICS Sports
Facilities, ASICS Tryus Service, ASICS
Sports Complex)

Yotaro Taguchi

Executive Officer
Senior General Manager, Apparel and
Equipment Division

Carsten Unbehaun

Executive Officer
CEO, ASICS Europe B.V.

Go Suzuki

Executive Officer
Senior General Manager, Sportstyle
Division

Shinji Matsuda

Executive Officer
Senior General Manager, Footwear
Production Division

Hirofumi Ohshima

Managing Executive Officer and CIO
In charge: IT, ASICS Technology,
ASICS Digital

Eriko Izumi

Executive Officer
General Manager, Legal Department

Masashi Abe

Executive Officer
President and Representative
Director of ASICS Japan
Corporation

Mark Brunton

Executive Officer
Managing Director,
ASICS Oceania Pty. Ltd.

Financial Summary

(Million yen)	2014/3	2014/12 ^{*1}	2015/12	2016/12	2017/12	2018/12	2019/12 ^{*2}	2020/12	2021/12	2022/12	2023/12
Financial Data											
Net Sales	329,465	354,052	428,496	399,107	400,158	386,662	378,051	328,784	404,083	484,601	570,463
By Category											
Performance Running (P.Run)	—	—	—	—	—	170,765	170,150	159,033	208,268	258,272	285,929
Core Performance Sports (CPS)	—	—	—	—	—	41,175	41,737	33,540	41,332	54,155	72,155
Sports Style (SPS)	—	—	—	—	—	39,006	34,272	29,570	33,252	43,466	59,257
Apparel and Equipment (APEQ)	—	—	—	—	—	45,234	39,227	29,790	34,115	35,278	36,185
Onitsuka Tiger (OT)	—	—	—	—	—	42,882	45,597	33,935	38,545	43,011	60,305
By Region											
AJP	119,796	82,575	122,785	119,989	119,462	118,250	120,950	94,398	109,911	123,402	135,849
North America	—	—	—	—	—	79,129	78,959	65,377	86,176	105,331	114,618
Europe (EMEA)	85,235	104,791	116,022	107,601	106,290	105,683	95,605	87,342	106,604	130,099	147,982
Greater China	—	—	—	—	—	39,690	39,448	41,118	52,593	62,411	77,616
Oceania	15,105	—	—	—	—	17,640	18,446	19,926	24,756	33,292	38,460
Southeast and South Asia	—	—	—	—	—	9,514	11,304	8,553	10,903	18,448	27,123
Other regions	—	—	—	—	—	38,001	36,306	28,260	35,133	43,630	49,844
Overseas Net Sales Ratio	69.5%	80.5%	76.4%	74.6%	74.7%	74.0%	73.5%	76.7%	78.7%	81.8%	80.5%
Operating Income ^{*3}	26,516	30,467	27,449	25,473	19,571	10,516	10,634	- 3,954	21,946	34,002	54,215
By Category											
Performance Running (P.Run)	—	—	—	—	—	8,568	3,964	24,903	42,634	49,181	50,018
Core Performance Sports (CPS)	—	—	—	—	—	- 1,123	- 1,336	1,388	5,004	9,489	12,811
Sports Style (SPS)	—	—	—	—	—	192	- 405	2,051	4,310	6,425	12,047
Apparel and Equipment (APEQ)	—	—	—	—	—	Deficit	Deficit	- 5,381	- 175	- 1,645	1,002
Onitsuka Tiger (OT)	—	—	—	—	—	7,486	8,303	3,616	4,868	7,399	15,361
By Region											
AJP	2,937	- 714	2,291	6,281	5,886	4,035	4,895	- 3,791	1,193	6,046	12,797
North America	—	—	—	—	—	- 4,108	- 5,969	- 4,548	848	26	1,441
Europe (EMEA)	7,545	8,652	10,939	11,309	8,297	5,099	2,866	4,572	10,889	11,254	14,190
Greater China	—	—	—	—	—	6,253	5,398	4,305	9,147	10,067	13,107
Oceania	3,230	—	—	—	—	2,698	1,944	2,707	3,347	5,211	6,241
Southeast and South Asia	—	—	—	—	—	986	789	152	964	2,984	4,971
Other regions	—	—	—	—	—	- 1,348	810	467	1,797	3,646	4,400
Ordinary Income	26,999	34,302	22,533	23,408	21,738	8,763	10,101	- 6,923	22,166	30,913	50,670
Profit Attributable to Owners of the Parent	16,108	22,286	10,238	15,567	12,970	- 20,328	7,097	- 16,126	9,403	19,887	35,272
Capital Expenditures	10,252	9,270	10,578	9,910	12,663	8,000	10,795	8,404	9,415	10,570	15,882
Depreciation (after excluding R&D Expenses from 2018 onward)	6,034	6,288	7,819	8,354	9,363	9,589	12,582	12,568	13,201	15,499	16,186
R&D Expenses	804	2,120	3,195	3,677	4,430	4,501	4,530	4,642	4,911	6,085	6,607

*1 The fiscal period ended December 31, 2014, was a transitional year. This period was nine months (April to December 2014) for ASICS Corporation and its consolidated subsidiaries in Japan. The period was 12 months (January to December 2014) for consolidated subsidiaries overseas.

*2 From the fiscal year ended December 31, 2019, ASICS' regions were reorganized into Japan, North America, Europe (including the Middle East and Africa), Greater China, Oceania, Southeast and South Asia, and Other regions. Because of the reorganization, South American subsidiaries and other entities that had been included under "Americas" were moved to "Other regions." Also note that the segment information for the fiscal year ended December 31, 2018, shows information produced using the changed classification methods.

*3 The fiscal years ended December 31, 2018, and December 31, 2019, represent operating income and operating income margin figures that include out-of-category costs.

Financial Summary

(Million yen)	2014/3	2014/12 ^{*1}	2015/12	2016/12	2017/12	2018/12	2019/12 ^{*2}	2020/12	2021/12	2022/12	2023/12
Financial Data											
Cash Flows from Operating Activities	6,393	10,720	18,301	37,971	37,137	11,049	14,792	19,331	49,146	- 21,427	90,095
Cash Flows from Investing Activities	- 13,735	- 9,845	- 8,707	- 14,046	- 13,789	- 5,467	- 12,186	- 9,634	- 10,168	- 14,481	- 4,640
Free Cash Flow	- 7,342	875	9,594	23,925	23,348	5,582	2,606	9,697	38,978	- 35,909	85,455
Total Dividends	3,227	4,461	4,461	4,461	4,461	4,529	5,555	4,393	4,392	7,326	11,910
Net Assets	159,567	201,941	199,883	201,207	201,302	166,829	152,323	126,764	146,538	172,729	206,801
Total Assets	317,528	355,837	343,468	342,812	348,232	304,461	316,115	333,181	345,774	425,067	464,116
Interest-Bearing Debt	73,664	75,003	68,486	67,908	61,689	57,388	80,599	122,999	110,474	139,799	132,118
Per Share Data											
Net Income per Share (yen)	84.96	117.40	53.93	82.01	68.33	- 107.59	37.91	- 88.17	51.38	108.60	192.52
Net Assets per Share (yen)	834.68	1,058.94	1,045.02	1,053.28	1,051.45	873.43	830.40	689.57	798.08	931.45	1,117.73
Annual Dividend per Share (yen)	17.00	23.50	23.50	23.50	23.50	24.00	30.00	24.00	24.00	40.00	65.00
Main Indexes											
Operating Income Margin ^{*3}	8.0%	8.6%	6.4%	6.4%	4.9%	2.7%	2.8%	- 1.2%	5.4%	7.0%	9.5%
By Category											
Performance Running (P.Run)	—	—	—	—	—	5.0%	2.3%	15.7%	20.5%	19.0%	17.5%
Core Performance Sports (CPS)	—	—	—	—	—	- 2.7%	- 3.2%	4.1%	12.1%	17.5%	17.8%
Sports Style (SPS)	—	—	—	—	—	0.5%	- 1.2%	6.9%	13.0%	14.8%	20.3%
Apparel and Equipment (APEQ)	—	—	—	—	—	—	—	- 18.1%	- 0.5%	- 4.7%	2.8%
Onitsuka Tiger (OT)	—	—	—	—	—	17.5%	18.2%	10.7%	12.6%	17.2%	25.5%
By Region											
AJP	2.5%	- 0.9%	1.9%	5.2%	4.9%	3.4%	4.0%	- 4.0%	1.1%	4.9%	9.4%
North America	—	—	—	—	—	- 5.2%	- 7.6%	- 7.0%	1.0%	0.0%	1.3%
Europe (EMEA)	8.9%	8.3%	9.4%	10.5%	7.8%	4.8%	3.0%	5.2%	10.2%	8.7%	9.6%
Greater China	—	—	—	—	—	15.8%	13.7%	10.5%	17.4%	16.1%	16.9%
Oceania	21.4%	—	—	—	—	15.3%	10.5%	13.6%	13.5%	15.7%	16.2%
Southeast and South Asia	—	—	—	—	—	10.4%	7.0%	1.8%	8.8%	16.2%	18.3%
Other regions	—	—	—	—	—	- 3.5%	2.2%	1.7%	5.1%	8.4%	8.8%
Return on Equity	11.2%	12.4%	5.1%	7.8%	6.5%	- 11.2%	4.5%	- 11.6%	6.9%	12.6%	18.8%
Return on Assets	5.7%	6.6%	2.9%	4.5%	3.8%	- 6.2%	2.3%	- 5.0%	2.8%	5.2%	7.9%
Shareholders' Equity Ratio	49.9%	56.5%	57.8%	58.3%	57.3%	54.1%	48.0%	37.9%	42.2%	40.1%	44.1%
Dividend Payout Ratio (Consolidated)	20.0%	20.0%	43.6%	28.7%	34.4%	—	79.1%	—	46.7%	36.8%	33.8%
Total Shareholder Return	—	—	—	—	—	79.6%	131.4%	144.8%	187.0%	215.8%	327.5%
TOPIX, including dividend	—	—	—	—	—	84.0%	118.1%	126.8%	143.0%	139.5%	178.9%
Price Earnings Ratio (times)	23.9	24.7	46.8	28.5	26.3	—	47.9	—	49.6	26.8	22.9
Net Asset Dividend Rate (Consolidated)	2.2%	2.5%	2.2%	2.2%	2.2%	2.5%	3.5%	3.2%	3.2%	4.6%	6.3%
Other Indexes											
Number of Subsidiaries	50	48	46	51	54	52	56	62	66	66	57
Number of Consolidated Employees (persons)	6,585	7,484	7,263	7,864	8,586	8,823	9,039	8,904	8,861	8,886	8,927
Consolidated Sales EC Ratio	—	—	—	2.2%	2.4%	4.1%	7.4%	15.7%	15.8%	17.8%	18.8%

*1 The fiscal period ended December 31, 2014, was a transitional year. This period was nine months (April to December 2014) for ASICS Corporation and its consolidated subsidiaries in Japan. The period was 12 months (January to December 2014) for consolidated subsidiaries overseas.

*2 From the fiscal year ended December 31, 2019, ASICS' regions were reorganized into Japan, North America, Europe (including the Middle East and Africa), Greater China, Oceania, Southeast and South Asia, and Other regions. Because of the reorganization, South American subsidiaries and other entities that had been included under "Americas" were moved to "Other regions." Also note that the segment information for the fiscal year ended December 31, 2018, shows information produced using the changed classification methods.

*3 The fiscal years ended December 31, 2018, and December 31, 2019, represent operating income and operating income margin figures that include out-of-category costs.

Non-Financial Summary

For more information, please refer to our Sustainability Report. 

		2017/12	2018/12	2019/12	2020/12	2021/12	2022/12	2023/12
Environment								
CO ₂ Emissions								
Scope 1 + 2 CO ₂ Emissions (t-CO ₂)		25,444	24,905	25,988	23,134	22,471	24,066	21,659 ¹
Scope 3 CO ₂ Emissions (t-CO ₂)		758,262	755,430	769,504	589,389	684,313	816,266	720,414
CO ₂ Emission Reduction Rate in Direct Operations (%) (2015 baseline)		17.5	19.3	15.8	25.0	28.0	22.0	29.8 ¹
CO ₂ Emission Reduction Rate in the Supply Chain (%) (2015 baseline) ²		12.4	10.3	9.8	30.8	19.7	3.1	21.6
Percentage of Electricity from Renewable Sources in Direct Operations (%)		14.6	20.6	19.3	21.5	23.0	26.7	29.8
Scope 1 + 2 CO ₂ Emission Intensity (per million yen of sales) (t-CO ₂)		0.064	0.064	0.069	0.070	0.055	0.050	0.037
Raw Materials, Waste								
Recycled Materials Ratio of Polyester Materials for Shoes and Sportswear (%)		—	—	—	19.5	over 30	over 30	over 40
Amount of Landfill Waste per Pair of Shoes at Footwear Tier 1 Factories (kg/pair)		0.031	0.033	0.032	0.019	0.008	0.022	0.043
Water								
Water Consumption per Pair of Shoes at Footwear Tier 1 Factories (m ³ /pair)		0.030	0.028	0.031	0.027	0.024	0.021	0.024
Society								
Mental and Physical Well-Being	Number of OneASICS Members (ten thousands)	32	72	200	394	540	730	945
	Amount of Community Contributions and Donations in Kind (US\$)	774,138	550,541	502,195	673,262	409,897	820,444	1,025,836
Our People	Number of Employees (persons)	8,586	8,823	9,039	8,904	8,861	8,886	8,927
	Ratio of Females in Manager and Senior Positions (%) ³	12.0	9.4	10.6	10.9	33.7	38.3	38.1
Supply Chain	Percentage of Tier 1 Supplier Factories above ASICS Standard (%)	88	91	95	98	100	99	99
	Number of Participants in Training for Suppliers (persons)	103	89	103	over 100	over 100	approx. 30	90
	Number of Factory Audits	113	93	116	52	34	36	71
External ESG Rating								
DJSI Asia/Pacific		selection	selection	selection	selection	selection	selection	selection
CDP Climate Change		B	B	B	A-	B	A-	A-
CDP Supplier Engagement Leaderboard		—	—	selection	selection	selection	selection	—
KnowTheChain (score)		—	41	—	—	49	—	40

¹We have received a third-party assurance in the Sustainability Report 2023. For details, please refer to the Sustainability Report 2023.

²The scope of coverage is "purchased goods and services" and "end-of-life treatment of sold products."

³The scope of coverage is ASICS Corporation and ASICS Japan Corporation for 2017 and 2018, ASICS Corporation for 2019 and 2020, and ASICS Group from 2021 onward.

Company Overview and Stock Information

(as of December 31, 2023)

Company Overview

Company Name	ASICS Corporation
Established	September 1, 1949
Head Office	1-1, Minatojima-Nakamachi 7-chome, Chuo-ku, Kobe 650-8555, Japan TEL: +81-(0)50-1745-2248 FAX: +81-(0)78-303-2241
Institute of Sports Science	2-1, Takatsukadai 6-chome, Nishi-ku, Kobe 651-2271, Japan
Shibuya Office	MFPR SHIBUYA, 1-2-5, Shibuya, Shibuya-ku, Tokyo 150-0002, Japan
Representatives	Yasuhiro Hirota President, CEO and COO, Representative Director (Chairperson, Representative Director and CEO from March 22, 2024) Mitsuyuki Tominaga President and COO, Representative Director
Principal Business	Manufacture and sales of sporting goods
Paid-in Capital	23,972 million yen
Employees	8,927 (consolidated)
Affiliated Companies	Japan: 13 companies Overseas: 52 companies (North America, Europe, Greater China region, Oceania, Southeast and South Asia and other regions)

Major Consolidated Subsidiaries

ASICS Japan Corporation	ASICS Brasil Ltda.
ASICS Trading Co., Ltd.	Race Roster North America Corporation
ASICS America Corporation	SANIN ASICS Industry Corporation
ASICS Europe B.V.	ASICS Apparel Industry Corporation
ASICS China Trading Co., Ltd.	
ASICS Oceania PTY. LTD.	
ASICS Asia PTE. LTD.	

Stock Information

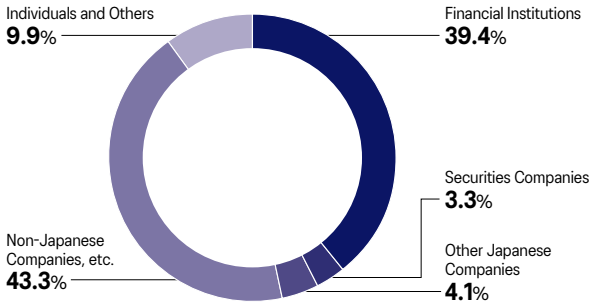
Total Number of Shares Authorized	790,000,000 shares
Total Number of Shares Issued	189,870,559 shares (including 6,634,589 shares of treasury stock)
Number of Shareholders	34,914 people
Listed Stock Exchange	Prime Market, Tokyo Stock Exchange (Securities Code 7936)

Principal Shareholders

Name	Shareholdings (thousands of shares)	Ownership (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	28,002	15.28
Custody Bank of Japan, Ltd. (Trust Account)	12,298	6.71
MUFG Bank, Ltd.	7,858	4.29
Sumitomo Mitsui Banking Corporation	6,607	3.61
GOVERNMENT OF NORWAY	6,063	3.31
Nippon Life Insurance Company	5,679	3.10
The Minato Bank, Ltd.	2,658	1.45
STATE STREET BANK AND TRUST COMPANY 505025	2,596	1.42
THE BANK OF NEW YORK MELLON 140044	2,362	1.29
JP MORGAN CHASE BANK 385781	2,350	1.28

Notes: 1. The shareholding ratio calculation excludes treasury stock.
2. The Company holds 6,700,000 shares of treasury stock, which is excluded from Principal Shareholders (above).

Stock Distribution by Ownership



Certification by the Officer in Charge

Publishing the ASICS Integrated Report 2023

In publishing the fourth ASICS Integrated Report, we have compiled a comprehensive overview of important information pertaining to the creation of medium- to long-term corporate value, edited in a straightforward manner so as to be accessible to everyone.

ASICS will steadily implement the value creation process incorporated in this report, and endeavor to achieve further growth by promoting its Global × Digital approach. While challenges remain, we will regard them as opportunities to make improvements and aim to realize Sound Mind, Sound Body together with all stakeholders!

ASICS IR teams led discussions regarding editorial policies and report content through cooperation with related departments across the ASICS Group worldwide. As the person responsible for preparation of the Integrated Report, I declare the publication process appropriate and the content herein to be accurate.

ASICS will continue to prioritize dialogues with stakeholders as we aim to further enhance information disclosure and deepen communication with all our stakeholders.

Koji Hayashi
Managing Executive Officer and CFO

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